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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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GOOD SEEDING CONDITIONS ON THE PRAIRIES

Crop Conditions Encouraging—Stock Outlook Critical

BETTER BUSINESS ..

Conditions Are More Optimistic But Improvement Will be Gradual—Many Homes Being Built

Wheat seeding throughout Saskatchewan is now general, according to advices received by THE FINANCIAL POST from Edward Oliver, of the provincial department of statistics. This was indicated in reports at May 1st which showed, however, that in the east central district there was still considerable water on low lands. Weather conditions have shown marked improvement and the ground is drying up quickly. Seeding conditions are generally regarded as ideal but farm help is somewhat scarce, despite the industrial situation throughout the country. Livestock is in fair condition and improving with the growth of grass.

Wet conditions which have delayed seeding are also reported by F. W. Crandall, farming specialist, Calgary, who writes THE FINANCIAL POST from Lathom, Alta., where he has been superintending operations on the land. However, he says that the rains and snows have been in no way objectionable but rather welcome. The situation is now better than for many years from the standpoint of moisture and it is felt that the wet is down so deep that a good crop is a reasonable prospect. Sloughs and waterholes that have not been filled in years are full and overflowing.

Rye has come through the winter well in Alberta according to Mr. Crandall and is showing up for a good crop. If the harvest should be a success the problem of some areas which have been considered as a failure from the agricultural standpoint on account of drought may be solved successfully.

Critical for Stock

But while the crop outlook is favorable in the west the livestock situation is critical still. THE FINANCIAL POST has been criticized for what has already been said in this connection but conditions were not exaggerated—rather to the contrary. In thus describing the actual situation, however, this paper has the support of those Westerners who realize that nothing is to be gained by hiding the truth and that the successful settlers will prove to be those who understand the problems that lie ahead of them.

Stock has come through the winter in very bad shape. The feed on the prairies, on account of the dry season, was not up to much, and the stock in the fall ate all off, so when the winter came, there was nothing for the poor animals to feed on except the meagre amount of fodder which had been saved from the drought-stricken fields, and this was soon eaten up and hence the fearful loss of both cattle and horses. It might not have been quite so bad, had it not been for the very late spring we are having, and the late snow storms, which the stock in the poor condition could not weather. The late losses have been the worst, and the losses are by no means over yet, as this is really the crucial time for stock.

Stockmen who sold hay last fall at $14.50 a ton and who are now short are facing a market at $35.00 a ton—and difficult to get at that. The oats situation is a little better, although there is a prospect that before the winter is over oats will be shipped from Winnipeg or points further east into some districts in Alberta.

These conditions as regards feed this spring indicate the serious mistake made by many farmers in not laying by sufficient reserve to carry their stock through. In fact there would seem to be need for legislation which would insure a sufficient supply of feed and fodder per head of stock wintered.

Better Business Now

Reports from other sections in the west are also satisfactory and in the east also the prospects are good. "There seems to be no doubt that business is in a healthier condition than it was six months ago and that a steady improvement in all sections of the province may be expected," declares R. W. Gould, secretary of the Montreal branch of the Canadian Manufacturers' Asociation, in a report dealing with conditions in the Province of Quebec.

P. O. FAVORS U.S. PUBLICATIONS

Ottawa—From time to time the charge has been made that the Post Office Department under the present Deputy Postmaster-General has been showing much sympathy for U.S. papers and extreme unfriendliness to Canadian publications. More evidence of this has just come to light. "Life," a comic paper published in New York, is admitted to the mails but the "Goblin," a most creditable paper, published by a group of brilliant young Canadians asociated with Toronto, McGill and other Universities and representative of the various educational institutions of the country, continues to be persistently shut out.

NEED OF NORTH FOR POWER AND TRANSPORTATION

Great Possibilities in the Gold Camps of Ontario

Special Correspondence

COBALT.—The gold camps of Northern Ontario seem to be much more electrified with expectations than with electric energy these days, and this is one of the explanations why the big things which have been promised for a long time are slow in materializing.

Compared with, say, 1919, the development in the north country has been wonderful, but outside of Kirkland Lake this development has been been practically confined to a narrow circle, the big producers of the Porcupine field. The power shortage is the real reason for this latter situation. Not only have other would-be mines in the Porcupine been seriously retarded, but the same applies to other camps, two notable ones being the Matachewan Gold Camp and the Gowganda silver camp.

Ontario today could well suffer an increased silver production. There are little hopes of Cobalt ever startling the world again with its output. The La Rose is still good for some time and there are two new ones coming along. The Victory Silver Mines and the Oxford Cobalt. The Coniagas and Nipissing are still going strong, but even their best will not put the silver figures anything like the old days.

Thus Gowganda must have assistance of some kind if the many excellent idle properties in that camp are to add their quota to the mineral production of the north. Real assistance needed is first in power and then transportation.

The same with Matachewan. There are proven properties in that camp which give promise of large gold mines. They are well financed but mining under present conditions would hardly make it a good proposition.

It is most interesting to hear so many speakers at various points in old Ontario, calling for the development of the north. They claim that Northern Ontario is away backward; that only the surface of the immense resources of the north have been touched; that great revenue awaits the province in mining taxation.

These facts are all true and is one of the reasons for the criticism of the older part of the province heard in the north, but the point is, that development is held up awaiting power and transportation and in this Southern Ontario people must come forward and help before the north will get anywhere.

And thus from the power question is developed the second of the principal needs of the north, capital.

There are many new and important companies coming to the front especially in the Kirkland Lake area. It is hard to put a finger on a wildcat in this camp. Practically every property in this wonderful zone has a real chance. but the trouble seems to be there are so many of them coming to the fore, that some difficulty is being experienced in financing them all. Right at the present time there are at least six Kirkland Lake organizations seeking financial aid in old Ontario.

And in this regard, Canadian finances to date have had the top hold on Kirkland, but they threaten to lose out if reports from England are correct. English capitalists are said to be realizing what an opportunity they allowed to slip, a few years back, when the late Henry Cecil, recently killed in an elevator accident in the King Edward Hotel, Toronto, for a time had control of the whole of the Kirkland Lake Camp, and advices are that they are quite ready to send over considerable money to finance promising prospects.

LITTLE HOPE FOR EFFICIENT BOARD TO RUN RAILWAYS

Indications of the Same Old Political Influences at Work

PASSING THE BUCK

Reduce Operating Expenses "But Not in Our District" is the Attitude of the People

(Special Correspondence.)

OTTAWA.—As time progresses, and the matter is discussed, parliament is being given a clear conception of what is involved in the plan of co-ordination, by means of which the railway problem is to be solved. The term was at first understood to be sufficiently comprehensive to permit of almost anything; but there is no longer any room for doubt as to what is going to be done.

It transpires that "co-ordination" means the wiping out of the Canadian Northern and Grand Trunk boards and the setting up of a new board under the authority of the Act of 1919. In other words, all that government plans to do is to assert common sense in relation to a situation which had become absurd and impracticable. Can anyone fancy a buisness man trying to conduct a great industrial undertaking the way the government railway system was administered in 1921? In view, however, of the definite announcement that the powers of the 1919 Act are to be invoked, it is rather important to see just what kind of a board that measure contemplates. It will not be necessary to do more than quote sections 1 and 2, which read as follows:—

"The Governor in Council may nominate such persons as may be deemed expedient, not less than five nor more than fifteen, to the Directors of the Company hereby incorporated, and upon such nomination being made the persons as may from time to time be nominated by the Governor in Council as Directors, shall be and are hereby incorporated as a Company, under the name of Canadian National Railway Company' herinafter called 'the Company.' No stock ownership shall be necessary to qualify a Director.

"The Directors shall hold office from one annual meeting to another or until their successors are appointed, unless removed by the Governor in Council for cause. Upon any vacancy occurring the Governor in Council may fill the vacancy by the appointment of a successor. The continuance of a vacancy or vacancies shall not impair the powers of the Board of Directors. The annual meeting shall be held upon the second Thursday in April in each year, or on such other date as the Directors may from time to time determine."

Political Control

It will be seen that under this prescription the new board may be as absolutely political as the Minister of Railways, with the approval of his collegues, may wish to make it. He selects the members in the first place, and may change them at will. "For cause" means anything or nothing. Such a board might be given absolute independence, but is not

(Continued on Page 16)

"PIGGLY WIGGLY" GROCERY STORES

Plans to Open Over 100 of These in Canada—Stock Offering

From Our Own Correspondent

MONTREAL.—The Piggly Wiggly Canadian Corporation has been organized to open up chain stores in Canada of the type of the "Piggly Wiggly" stores which have been in operation for the past six years in the United States. It is planned to open up considerably over 100 stores in the Provinces of Quebec and Ontario within the next three years. The start will be made in Montreal very shortly and a number of stores will be opened in Toronto almost immediately. It is proposed to provide funds for the opening of these stores through the sale of $1,000,000 of stock, preferred and common, which will be offered to the public. These stores although only a short time in existence have increased to 752 in the United States with a turnover in a year of $76,000,000. They started at Memphis, Tenn. The general plan is a self-service grocery store, the customers being handed baskets as they enter the store, going round and picking out any goods they choose that are prominently displayed, and then paying their bill as they reach the other end of the circle. There is no delivery system and the average number of clerks in each store has been kept down to three.

Propaganda In West To Keep Workers Off The Farm

What appears to be a well organized and deliberate effort to interfere with agricultural production in Canada is being noted in Western Cities. Active agents are successfully preventing workers from going to the farms at anything like reasonable wages. The result is that despite unemployment in the cities there is already a shortage of efficient labor on the land and the seeding is suffering. Should these tactics continue until harvest the indications are that the benefits of the crop so important to the re-establishment of stable conditions in the West may be largely lost not only because of high wages but also because of low production for such high wages.

The campaign is well directed to prevent a return of prosperity in Canada because nothing is more important than that we should have a profitable crop this year.

An Alberta farmer describes the situation:

It is a great misfortune that most of the men who were taken care of by the cities through the winter, and who went into the country as farmers, when spring came, and help was needed on farms, turned out not to be farmers at all but all sorts of tradesmen. It has not been at all easy to get good farm help, even so small a number as have been required. Men go out as farmers who cannot even harness a team, and put men to all sorts of inconveniences, and delays, and there seems no way to forestall this. I took out some men, last week, and before I took them, I grilled them carefully as to what they could do. I told them unless they were real farmers, and could handle horses, they had better not go, as I would not keep them a day. When I set them to harness a team, two of them said if I would show them a little they thought they could get along all right. When questioned closely on the spot, it turned out they never handled a horse in their lives. They were 100 miles out in the country, had their bed and meals, and I had missed the chance of getting men such as we need, and had to make another expensive trip to Calgary, to get other men, while at the critical time, my teams were standing in the barn, useless till drivers were got. This is a frequent occurrence.

Wages are of course lower than last year, but some men make this up by doing work only up to the amount that will just pass. They are not pleased at the reduction and want to get even some way.

If we have a good harvest, I am almost afraid we will have a big contract on our hands. If men find that there is a chance to hold a farmer up they will take the first opportunity to do so.

I noted in Calgary, there seemed to be just outside the employment offices, some self appointed men, who made it their business to watch every farmer who went in for men, and when men were hired, tried to get then to demand more wages. I hired two last week, and made full arrangements with them, and they were seemingly satisfied, and wanted to go out. I arranged for them to be at the station to come on the train I was coming on, and so did not try to get others. I waited at the train, right up to the moment of starting, and they never turned up at all, and so I had no chance to get others, as I had to go on this train.

Only Favorable Figures on Chippawa Were Accepted

The people of Ontario are evidently to be asked to believe that everything was right about the Chippawa expenditures, based on estimates which proved so misleading to the Drury Government, because the engineer who prepared these estimates says so. This is to be gathered from the way the Hydro newspapers have enthused over the statements of Francis Lee Stuart, of Stuart and Kerbaugh, before the public accounts committee of the Provincial Legislature, and Mr. Stuart, by the way, was employed by Sir Adam Beck and not by the Commission or the Government because "he (Sir Adam) felt so deeply about it that if they did not approve of it he would pay out of his own pocket." Now let us see why Sir Adam felt so deeply and why he said he was willing to "pay out of his own pocket"—and we have our own ideas as to how sincere he was on that point.

After the Drury Government came into power the finances of the Chippawa venture began to cause apprehension—as well they might. Sir Adam Beck, to back up his program with the Government, suggested that Hugh L. Cooper & Co. make a report; the Government agreed. This firm started in April, 1920. From the first the reports were unfavorable, despite the fact that "every reasonable effort was made to reach conclusions which would agree with your (Hydro) engineering and construction departments." The final report was made in August, 1920, and so ominous was it in regard to costs and so serious the criticism of important engineering features that it was smothered and never reached the public until long afterwards.

But at the time Cooper was finishing his report, in August, 1920, Sir Adam Beck, on his own responsibility alone, was arranging with Francis Lee Stuart to prepare another report. This report was different. It endorsed the estimates of the Hydro engineers and was, therefore, evidently highly satisfactory.

With the Cooper report sidetracked the work went ahead on the basis of the Stuart report. The result was that the estimates were exceeded by many millions. And Premier Drury informed his audience in Massey Hall, when discussing the situation, that developments had shown that the estimates of the ignored Cooper report had been justified almost to a cent.

Why was the sound report of Cooper, employed by the Hydro Commission with the endorsation of the Government, shelved and the misleading report of Stuart employed by Sir Adam Beck personally, accepted?

A Brighter Day For Steamships.

A brighter day is dawning for Canada Steamship Lines.

The future, and the attitude of this paper, and the attitude of the great majority of investors towards the Company, rest mainly in the hands of the new members of the Board.

It is a great responsibility, and the manner in which they are faithful to the new trust that will shortly be placed in their hands will be watched closely all over this country.

It rests with these men, whose character and achievements in the past render them worthy of the confidence of the public, to rehabilitate this company, whose good name has been dragged down.

We are assured that steps will be taken to make it impossible for a continuance of those close connections between directors of this company and outside organizations that transact business with it. This in itself will go far to remove for the future that deep seated suspicion that pervaded investment circles.

We trust that the new men will see that there is laid bare for their information, and to guide them in formulating future policies, the relations that now exist and have existed for years past between directors of the company and the placing on insurance, the chartering of space in the company's vessels, the purchase of machinery, the buying of vessels, the coal supplies, and any other materials where there has been an interlocking of directorates.

The details of the present indebtedness which the new bond issue is proposed to wipe out bear overwhelming evidence of this interlocking. We are informed that over two-thirds of the creditors whose claims are to be satisfied over $4,000,000 out of $6,000,000—consist of companies on whose directorates have been members of the present board of Canada Steamship Lines, or the Steamships Trust: namely, the Montreal Transportation Co., a balance of $1,350,000 and interest; Davie Shipbuilding Co., Century Coal Co., Ogdensburg Coal Co., and others.

A full comprehension of the existing situation will make a thorough reorganization in this respect more easy of immediate accomplishment, and in turn will do more to restore public confidence than any other step that may be taken.

THE FINANCIAL POST maintains its belief that all those responsible for the conditions that the present reorganization admittedly condemns should discontinue their connection with the Company. This question we now leave in the hands of the new board and the shareholders.

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A WHEAT BOARD WOULD AFFECT FOREIGN TRADE

Criticism Offered by Former Federal Minister of Trade

OTHER ARGUMENTS

Means Constitutional Violation of Rights of Individuals—Farmers Say it Would Reduce Costs

From Our Own Correspondent

REGINA.—The wheat board with its monopolistic powers as operated under the War Measures' Act, would be something of a "flivver" in peace times, is the opinion of Hon. H. H. Stevens, federal member for Vancouver Centre and late minister of trade and commerce in the Meighen administration.

In an interview with THE FINANCIAL POST Mr. Stevens enumerated the following reasons why the wheat board under present conditions would neither be feasible or justifiable:

1. Encroachment upon, and violation of, the rights of individuals.
2. Perversion of national ideals of freedom of thought and action.
3. Alteration, on a basis discriminatory to many, the national constitution.
4. A personal obstacle to international trade expansion.
5. A destructive factor opening against established trade connections abroad.

Mr. Stevens contended that even if re-established, the wheat board could scarcely be expected to afford relief to the farmer by increasing market prices. During the period in which the board did operate, he stated, the higher returns secured were a natural result of healthier conditions of supply and demand—perhaps not healthier because the world shortage of grain was obvious and the demand therefore abnormal. Such a marketing measure would be powerless in times when international competition resulted in inevitable price declines.

Slip-Shod Methods

Very definitely, Mr. Stevens divided the grain growers of Canada into two distinct factions. The first of these were the old-established, careful, hard-working agriculturists, who had placed their farms upon a paying basis by making a combination of scientific method and hard toil. The second class, he said, were the careless, slip-shod people who went on the land and who failed utterly to make a living.

It was the unquestioned right of the farmer who had made a success of his business to sell his products wherever and whenever he wished. If he was compelled to sell and controlled utterly by the wheat board, the rights of Canadian citizenship—one of the most boasted provisions of the Dominion constitution—would be taken from him.

Affects Trade Relations

As a menace to trade relations, the wheat board would be an unquestioned obstacle in the path of expansion. "The men concerned with our export trade, the millers, and most important of all, the consumers of this country are most vitally interested in this question," said Mr. Stevens. "The strongest argument advanced against the board is made by the millers who say that during the tenure of the board, their foreign trade connections, built up at great expense and over a period of years, became disrupted or destroyed entirely. Because of this destruction during the period when the wheat board did obtain, factors were created which contributed somewhat to the heavy decline of grain prices last autumn. The millers contend that foreign connections cannot be maintained if the wheat board is to operate with the control of flour as well as of wheat. This contention seems unreasonable."

Demand Still Strong

Grain growers who have been basing their hopes for improved marketing conditions upon the wheat board, have not abandoned the resolve to exploit further the possibilities which may have a bearing upon solving the apparent impasse resultant from opinion given by legal experts that the board is ultra vires of parliament.

This is the gist of opinion held by growers interviewed by a representative of THE FINANCIAL POST.

In effect the farmers' leaders in Saskatchewan say: "We are determined to investigate thoroughly every possibility which may shed light on the situation. We do not consider, even if the Dominion authorities are powerless, that all hope for the reestablishment of the board need necessarily be abandoned."

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The transfer books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, April 21, 1922.

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BREACH OF FAITH AT OTTAWA SAYS SUGAR PRESIDENT

Head of Atlantic Sugar Refineries and Commerce Board "Undertaking"

GOVERNMENT CONTROL

Of Industry Responsible for Huge Losses—Abandoned After Promise to Regulate Slump

By WILFRED A. HOBBINS,
President Atlantic Sugar Refineries.

The conditions in the sugar industry of Canada during the past four or five years, while naturally dependent upon conditions throughout the world at large, and more directly upon those of the United States, have nevertheless been governed by the peculiarly special condition of Canadian government control and its equally peculiar decontrol.

In all countries engaged in the Great War the sugar industry was under some form of artificial government control for several years until the end of 1919 to the earlier part of 1920.

A notable example of a participative government control which included the decontrol period is to be foun in Great Britain where there was a full acceptance of obligation to the industry as well as to the consuming public, such sense of obligation arising not from sympathetic inclination but from a clear perception of economic values.

United States Control

In the United States there was also a participating government control which, because of the commanding status occupied by the United States in the industrial and economic world as a consequence of the War, extended beyond its confines and directly controlled the progress of events in other countries, thereby influencing to the point of interference such countries' attempts toward directing their own affairs. Unfortunately, the United States control did not extend into nor include the decontrol period but sharply cut off government regulations to permit a re-entry of the sugar industry into the conduct of its own business without provisions for a graduated reinstatement and this at a time of most abnormal economic conditions throughout the world.

Resulting Debacle

It is unnecessary to review the resulting debacle which involved the sugar industry of the United States and that of its principal associate, Cuba. We would only point out that other countries were powerless to prevent their inclusion in the catastrophe because of the World's continued dependence upon and subordination to the United States.

The abandonment of the sugar industry of the United States to the elements of decontrol permitted the United States governmental control body—namely: the Sugar Equalization Board—to retire with a profit of some several millions of dollars. The losses fell upon the industry itself.

The adherence of the Government Control Body of Great Britain—namely: the Royal Commission on Sugar Supply—to its principle of economic protection for the State and therefore its continuing to function during the decontrol period, resulted in its acceptance of a loss of millions of pounds sterling which loss through distribution left no mark upon the industrial welfare of Great Britain.

The Canadian government control of the sugar industry continued to function after the cessation of Unite States government control on the 31st of December 1919 in a markedly peculiar way. Never a participating control, it was also no longer a centralized control.

With the advent of 1920 the Canadian refiners had been left to buy their supplies in the raw sugar markets of the world unassisted. At the same time the Canadian Trade Commission of the Department of Trade and Commerce retained its licensing power of permit both for import and export; nominated the quantities of refined sugar which each Canadian refiner should be required to place in the domestic market; collected all the statistical data of stocks, contracts, commitments, meltings, sales, shipments and so forth from the several refiners upon which (together with the Commission's independently arrived at estimates) to withhold or extend licenses for export, to give approval disapproved of each individual refiner's raw sugar purchases and stocks as related to the Commission's estimate of monthly quota and future needs in the Canadian market. (Here it is interesting to observe that as a collector of statistical information the Canadian Trade Commission was a repository and not a clearing house.)

And equally at the same time the Board of Commerce, an independent creation of parliament, controlled the prices at which refined sugar should be sold in Canadian market by refiners, wholesalers, jobbers and retailers; limited and defined the several participants in the sale and purchase of sugar; ruled and regulated the confines within which such participants might operate.

Canadians in Maelstrom

On July first, 1920, with the prorogation of parliament the Canadian Trade Commission ceased to function; the Board of Commerce still continued its control. At this time those influences which were to bring about the collapse of the sugar industry were already hastening the end; but they were deep, and not discernible beneath the mass of artificial coverage. It was not long before the Canadian sugar industry was involved in the maelstrom which it was powerless to avoid.

CANADIAN EXPORTS HIT BY U.S. TARIFF

Total Exports for March at $1,283,942 Compare With $9,488,589 of March.

Total Canadian exports to the United States during March, 1922, amounted to $1,283,942 as against $9,488,589 for the corresponding month last year, according to tables prepared by the Commerce Intelligence Journal. The total exports for the ten-month period ending March, 1921 and 1922 were $157,141,786 and $35,954,735 respectively. The very large decrease is due to the operation of the United States Emergency Tariff Act, which was passed on May 23, 1921 and became effective on May 28.

The following tables show, (1), the articles which Canada has been exporting to the United States, values of these articles exported in March, 1921, as compared with those of March, 1922—the tenth full month of the operation of the Emergency Tariff Act; and (2) the values for the ten months June, 1920, to March, 1921, as compared with the corresponding period in 1921-22.

	Month of March.	
Article	1921	1922
Sugar	$ 20,309	$ 301
Tobacco	605	525
Cheese	2,551	62,895
Apples	1,797	593
Meats	299,520	169,379
Milk	322,335	....
Cattle	747,007	62,429
Wheat	5,835,656	55,234
Wool	147,629	117,817
Total	$9,488,589	$1,283,942

	10 Mos. Ended Mar.	
Article	1921	1922
Sugar	$9,025,662	$ 2,257
Tobacco	33,195	4,310
Cheese	161,361	438,047
Apples	112,192	2,380,505
Meats	6,034,173	3,271,310
Milk	2,068,447	205,745
Cattle	21,209,021	2,974,357
Wheat	91,255,996	13,441,538
Wool	2,051,802	38,442
Total	$157,141,786	35,954,735

CHIPPAWA INQUIRY WILL BE THOROUGH

Scope of Investigation Set Forth in Questions to Sir Adam Beck

A thorough, business-like investigation of the Chippawa project is indicated in the scope of the inquiry to be conducted by the Gregory Commission as set forth in a list of questions which have been submitted to Sir Adam Beck as chairman of the Ontario Hydro Commission:

The nature of the information required under the last heading is set forth:

(1) All estimates submitted from time to time to the Hydro-electric Power Commission of Ontario, for the Queenston-Chippawa power development, and also all developments for the said work submitted by the said commission to the Government of Ontario.

(2) The seasons for increases from time to time in the estimates for the Queenston-Chippawa power development.

(3) The total cost, when completed, of the Queenston-Chippawa power development: (a) with five units installed; (b) with units installed to the full capacity of the canal.

(4) The continuous output capacity of the Queenston-Chippawa power development, under the conditions mentioned in Clause 3.

(5) The methods of construction, supervision and management which have been employed in the Queenston-Chippawa power development, and whether they can justifiably be continued for the economical completion of the work.

(6) a—The quantity of water now available for use by means of the Queenston-Chippawa Canal; b—the power that can be developed thereby in continuous output at the Queenston power station.

(7) In what manner and to what extent will the price of Niagara power be affected, if, at all, by the cost of the Queenston-Chippawa development?

(a) Costs of power at Niagara switch-board; total and unit in detail of capital operating, maintenance, repairs, etc., since commencement of Ontario Hydro-electric Commission's operations to December 31, 1921, inclusive;

(b) Costs of power as above estimated yearly for the next ten years, with estimated loads and Ontario Power Co. running full and all the water required available;

(c) Costs of power as above estimated yearly for the next five years, with estimated loads and Ontario Power Co. shut down completely with all the water required available;

(d) From the above deduce the best combination of use of the Ontario Power Co. and the Queenston-Chippawa plants to produce minimum cost of power with all the water required available;

(e) Should present treaty restrictions continue what effects on the cost above would be produced?

(f) The results of a, b, c, d, and e might well be shown as curves of horsepower cost for the total period.

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"Why did we have our salesmen buy their own cars?" repeated the sales manager, of a large Canadian organization. "Because we decided that we had worried long enough over the very much abused company's cars. Why in the old days, when Jones our crack salesman had a blowout, while on a trip, he simply said to himself, 'It's the company's car not mine,' and ran it on the rim to the nearest garage; to the utter ruin of the tire, casing and rim. But now that Jones owns his own car, he will stop and change his tire at once for he knows that the damage will have to come out of his own pockets, not out of the company.

"For many years we owned the salesmen's cars, over a score of them, you can realize the amount of invested capital that means, and with two or three exceptions we found that these cars were rarely serviceable after a year's running. The upkeep was tremendous. Despite every effort we could not impress upon the individual man the necessity of spending only five minutes on the car daily, simply to add oil and water as necessary. No, they never gave a thought to batteries, proper inflation of tires and the dozen and one things that a car requires. As a result we had engine bearings burnt out, batteries ruined and tires used up before they had run a thousand miles. Well the result was that the company was faced with the alternative of getting rid of the cars, or having the salesmen buy them. We decided on the latter way, and it works most satisfactorily.

Bought New Closed Cars

"No longer do we have to worry about repairs, upkeep and all that goes with owning a fleet of cars. We turned all our old cars in, and realized what we could on them and bought our men new closed cars of a well known make, whose parts the salesmen are able to get anywhere. We had the salesman pay an initial deposit and by a system of monthly payments, the unpaid balance is cleared up in course of a year to eighteen months. The salesmen are debited to the full amount of the car, less the deposit. Against this we make a daily allowance of $4 to take care of upkeep and to buy gasoline and insure the car against accident and liability. There our responsibility ends. The salesman has the entire responsibility of the car, even has to pay his own fines, and it is surprising to notice the way that the salesmen look after the little needs of the cars. They take a pride in them.

"We found that the closed type of car was much better than the open type, for a man is in no condition to talk to customers in these hard times, if he is cold or wet. He is protected against the weather and is able to dress better, which is an added asset from our point of view."

Definite Territory to Cover

"Do you find that the average salesman spends too much time looking after his car?" "No, because he knows that he has exactly so many calls to make, and has a very definite time to make them in. Nor do we find that the men shirk the poorer roads in the chance of getting an order. For you know that for many small centres there is often a very inadequate train service or none at all and that these small places are often surrounded by a fine district. Therefore it is much to the salesman's advantage to thoroughly cover the small places as well as the large.

"In summing up the whole case, I would like to point out, that not only have we reduced our capital investment in cars but we have done away with 90 per cent. of the delays and setbacks that we experienced under the old system. Our men are better satisfied for they have the cars for their pleasure as well as work and they take a pride in them that is reflected to the company."

MINERAL PRODUCTION LESS

From Our Own Correspondent

VICTORIA.—Although the value of British Columbia's mineral production last year was less than in the previous year, prices averaging approximately 31 per cent. lower, production showed a substantial increase, according to the report of Hon. William Sloan, Minister of Mines, which has just been completed.

The decrease in the value of production was only 21.06 per cent. In 1921 the value totalled $28,066,641. In 1920 the figure was $35,543,084. This means that in 1920, on an average, the miners received nearly 50 per cent. greater an amount than for a similar quantity of metals in 1921.

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MARCH NEWSPRINT PRODUCTION RAN 30 P.C. INCREASE

Very Favorable Reports of Canadian Mills For First Quarter

45,000 TONS HIGHER

Imports from Europe Into U. S. Not Gaining—Suggestion of Price Advance—Publishers Protest

From Our Own Correspondent

MONTREAL.— The better tone that has been prevailing during the past few weeks in pulp and paper securities has, fortunately, a substantial foundation behind it in the actual business that is coming to the Canadian mills and a real improvement that has taken place and one that the pulp and paper men feel certain will be continued if not increased during the balance of the year. The report of the Newsprint Service Bureau of New York which was received this week, covers the month of March, showed a marked advance insofar as the Canadian mills are concerned. During the month of March, sixteen Canadian mills comprising practically the whole of the Canadian output, reported a production of 85,973 tons, an increase of 65,619 tons over March 1921, or 20,000 tons increase, over 30 per cent. The production in the Canadian mills showed an increase of over 7,000 tons compared with February and of 4,500 tons compared with January. Not only so but the shipments during the month exceeded the production by about 1,500 tons so that the stocks on hand at the mills were less the end of March than in February and nearly 4,000 tons less than in January.

The production figures are striking also taking the first three months of the present year, where the total was 245,685 tons compared with 200,744 tons for the first three months of 1921. This shows an increase of 44,941 tons or 22 per cent. for the first quarter of the present year. The United States mills did not do quite so well but their production also is increasing. Their total production showed a decrease of 3 per cent. for the first quarter of the year. Taking the total stocks at the mills in the United States and Canada there were 2,723 tons less on March 31, than on February 28, an amount equivalent only to 3.7 days production.

Imports from Europe not Gaining

The returns by the United States Trade and Commerce Department show that the importation of newsprint from Europe is remaining just about the same and that the anticipated increase is not taking place. During January about 2,476 tons came in from Germany and 3,098 in February; from Sweden 5,452 in January, 10,871 in February, an increase from this latter country; Finland sent 839 in January and 2,263 in February, an amount which has been duplicated several months in the past year. From Norway there was 2,376 in January and 2,431 in February, running around normal or a shade better. The total importations in the United States from Europe in January were 12,270 in February 18,875 tons. The average for the past eighteen months was 11,316 with the average for the past seven months, 14,495 tons.

Canada's Four Times

It is interesting to compare this with the exports from Canada into the United States. During the year 1921, Canada exported 654,850 tons to the United States, an average of over 54,000 tons a month so that the exports from Canada to the United States alone run between four and five times the total amount imported from Europe into the United States month by month. It should also be noted that during the present year the exports from Canada to the United States are increasing and far more rapidly than there is any suggestion of an increase of European importations. For instance, during the month of February Canada exported to the United States 65,342 tons as compared with 49,213 in the month of February.

Will Prices Advance?

There is a difference of opinion at the present time as to whether there will be or should be an advance in the price of newsprint for the third quarter of the present year. At all events the impression that has ruled in some quarters for months past that the price would decline, then, has passed away. There are heard suggestions now that the price will go up to $75 a ton at the first of July, in place of $70 per ton as at present and the price ruling since Jan. 1.

The publisher of the New York "Globe," Jason Rogers, still keeps up his bombardment of the mill men, but there is no longer the confident prediction of a cut in prices. Now he is rather deprecating a rise in the price. He starts off an advertisement by remarking. "A well informed paper salesman has bet me a box of golf balls that the price of newsprint will be four cents a lb. ($80 a ton) at the mill before September....A few weeks ago I bought paper for three and a quarter cents ($65 a ton.) Today the best that is offered is 3.35 and 3.40 ($67 and $68 a ton).

He goes on to suggest keener European competition if the price goes up again, and urges the advantage of the mills working to capacity at a lower figure than to fifty or sixty per cent. on a higher. He states that publishers are content to buy their supplies at present levels so as to keep as many mills in operation as possible. He ends an advertisement in "Editor and Publisher" by calling on manufacturers to keep clear of any further organization which aims to maintain a fictitious price level or to boost present prices for they should realize that the best course lies at the present time in helping their customers meet a very critical situation."

CANADA SECOND IN USING WATER POWER

Only United States Has Harnessed Water to Greater Extent

Canada comes second among the nations of the world in water development. The United States leads with developed horse power of 9,243,000 while in Canada electrical installations provide 2,470,580 h. p. annually. In Europe, France leads with 1,400,000 horsepower and other leading nations are: Norway, 1,350,000 h. p.; Sweden, 1,200,000 h. p.; Switzerland, 1,070,000 h. p. Japan and India are the only two other nations with more than 1,000,000 h. p. developed water power. Australia has practically none and New Zealand but 45,000 h. p.

Norway has per capita water power development of 0.54 horse power and Canada comes second among the nations of the world with 0.26 h. p. In the United States the figure is 0.07 h. p.

FINLAND MAY FOLLOW, EXAMPLE OF QUEBEC

And Prohibit the Export of Pulpwood to Competing Paper-making Countries

From Our Own Correspondent

NEW YORK.—Largely inspired by the example of Canada, Finland is contemplating the advisability of placing restrictions on the export of pulpwood. The rapid growth of the pulp and paper industry in the province of Quebec, as a result of the prohibition of the exportation of pulpwood cut from Crown Lands, has been under discussion for some months in Finland and certain Finnish financial groups interested in the development of Finnish industry are saying that if Finland were to follow the example of Quebec she could possess in time an industry almost as great as that of Quebec. A campaign is about to be launched to give legislative expression to this point of view.

The advisability of taking such a step has been brought to the attention of Finnish business men by the recent rapid growth of the Finnish paper industry and the more recent great increase in the exportation of Finnish pulpwood to countries such as Germany where pulpwood is scarce and expensive. As the Quebec pulp and paper industry did in 1911, many Finnish pulp and paper men now believe that the growth of their industry can be continued and increased if a stop is put to the exportation of pulpwood to potential and actual competitors in the foreign paper market. As Quebec did Finland, or that part of it interested in its pulp and paper industry, cannot see the logic of supplying its competitors such as Germany and Sweden with the raw materials with which to sustain their pulp and paper industries.

DEMAND FOR BEER IN SOUTH AMERICA

An Increasing Market Indicated for Products Made in Canada

From Our Own Correspondent

NEW YORK.—The revival of business in South America has produced within the past few weeks a number of requests for information regarding Canadian-made malted beverages. These requests have been received by Canadian information bureaus in this city and have originated in most cases in the larger cities of Brazil and the Argentine. These inquiries it is believed indicate the presence of a growing market in South America for Canadian beer, ale and porter. They also indicate that Canadian brewers now have an opportunity of capturing the South American market, which, with the coming of prohibition in this country, slipped from the control of the American brewing industry.

In view of the fact that Canadian exports of beer, ale and porter grew from 126,000 gallons in 1920 to over 708,000 gallons in the eleven month period ending February in each year, Canadian exporters here believe that Canada is in a position to handle even a greater portion of the South and Central American business of this type than she is at present doing.

NEW USES SOUGHT FOR THE CANADIAN OUTPUT OF NICKEL

Outlook for the Industry is Showing Some Improvement

FOREIGN COMPETITION

Some Shading of Prices Caused by Offers Made in States by a Number of European Producers

From Our Own Correspondent

NEW YORK.—The strength of International Nickel within the last week or so has served to draw market attention to the fact that a slightly more encouraging outlook faces the Canadian industry. Demand although still of small proportions is increasing slowly and the indications are at present that the curernt year will yield a very much larger volume of business than did 1921. This in spite of the fact that those in close touch with the industry assure your correspondent that a real recovery in the industry cannot come much before 1923. Increased activity in the automobile industry is largely responsible for the recent increase in demand for nickel. But increase in this direction, while worthy of note, has hardly been as large as it might be expected and the opinion seems to be generally held in the nickel industry that many of the automobile and steel manufacturers still have large supplies of nickel on hand. Real recovery must wait until this surplus is absorbed. While it is believed that these surplus stocks are rapidly being depleted even the most sanguine do not believe that their effect on the market for nickel will be eliminated much before the end of the present year.

But in spite of the recent improvement in the nickel market, it cannot be denied that the leading nickel companies have recently shown a tendency to shade prices a little. While a nominal price of forty-one cents a pound has been maintained in most cases, nickel is being sold in some cases as low as thirty-one cents a pound. This is largely due it appears to foreign competition.

And this foreign competition is coming not only from the Mond Nickel Company which recently appointed a New York selling agent but it is coming from a number of European producers as well.

New Uses for Nickel

The nickel companies are still striving to find new uses for nickel. The cessation of naval building as a result of the Washington Disarmament Conference has for at least five years closed one of the chief outlets of the nickel industry. The automobile and steel industries now form the bulk of the present market for the metal this industry produces. It is hardly likely, however, that either of these industries will develop greatly enough in the next five years to enable them to replace the market removed by the closing of the battleship market. Other uses, your correspondent is told, are being diligently sought.

The International Nickel Company places much faith in the future possibilities of the market for monel metal and other forms of rolled nickel. This company is giving expression to this faith by spending over $3,000,000 on new rolling mills it is erecting at Huntingdon, West Virginia. This company also has a corps of experts busy attempting to devise new uses for nickel and alloys of which it would form the principal part.

PRAIRIE FISHERIES

Falling Off in Total Value Owing To Lower Prices

The total value of the fisheries of the prairie provinces and the Yukon Territory in 1921 was $1,713,827 a decrease from the previous year of $394,430, or 18 per cent., according to the tables compiled by the Dominion Bureau of Statistics. The lower prices for nearly all kinds of fish was responsible for this decrease shown in the total value.

The amount of capital represented in the tugs, nets, piers and wharves, etc., engaged in the operations of catching and landing the fish was $828,741, compared with $984,241 in 1920. The number of men employed in these operations was 2,994 in 1921 and 2,965 in 1920.

By provinces the values for the two years were as follows:

	1920	1921
Manitoba	$1,249,607	$1,032,963
Saskatchewan	296,472	243,018
Alberta	529,078	408,868
Yukon	33,100	28,978
Total	$2,108,257	$1,713,827

The U. S. Department of Commerce representatives estimate that the European demand for our grains will continue for five years more. Russia, which before the war exported an average of 160,000,000 bushels of wheat, is importing, and Roumania, another normally exporting country, has lost a great deal of her exporting capacity. Poland, Czecho-Slovakia and Bulgaria are exporting a little wheat.

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Paid-up Capital - - - 10,860,852
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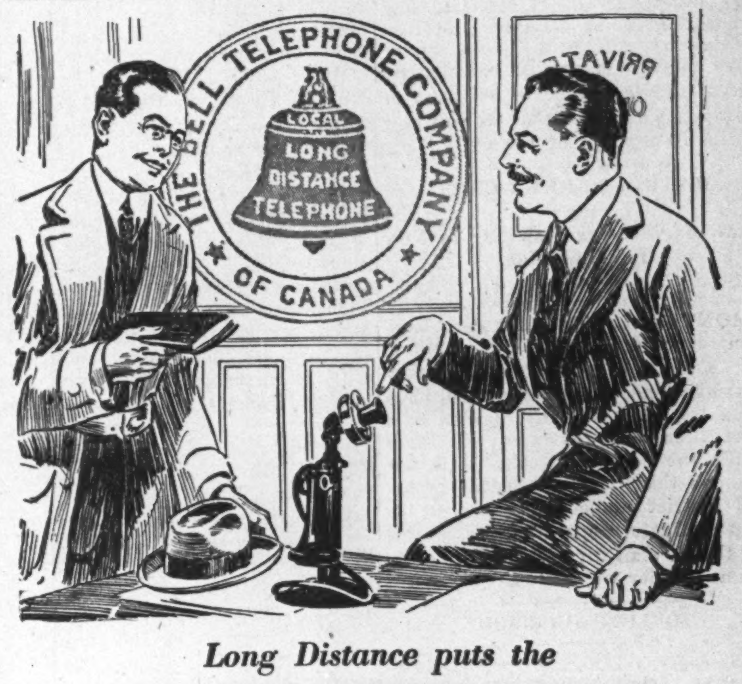

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Re-ordering by Long Distance makes it entirely practicable for dealers to carry small stocks, thus keeping down their capital investment, and yet not lose sales by being out of stock. The wholesaler's and manufacturer's warehouses are virtually at the dealer's elbow. The goods are often shipped the same day.
It also enables dealers to try out the novelties and new styles people have been reading about and are asking for, on which the margin of profit is usually greater than on staple lines. "Use the Bell to Sell" — and to Buy.
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INVESTORS SHOW GREATER INTEREST IN INDUSTRIALS

Increased Activity in Issues of Long Established Companies

VICTORIES IMPROVE

Market Suffered from Heavy Profit-taking at Times During Week, Causing Temporary Reaction

In spite of lessened activity there was a firm undertone to the market and in several new favorites a quiet strength was displayed. There has been very considerable profit-taking, after the long sustained advance of the stocks in general. It seems probable that the great forward movement in stocks had, until recently, been promoted largely by operators, whereas in the past few weeks there has been increased popular support. Such a change usually results in an over-bought market, with material reactions as the natural results. However it must be remembered that indications are equally strong that the main tendency is still upward, and that, in the long run it is more advisable to keep the main trend in view, than to give too much attention to temporary fluctuations.

The quality of the market is shown in the readiness of the general public to absorb proven industrial issues. The success of a $5,000,000 issue of a public utility which was recently placed on the market and was quickly over bid is very reassuring. The substantial advance in Victory bonds during the week is one of the truest indications of strength in the market.

With the return to easier money conditions and lower interest rates, municipal bonds have appreciated considerably in price, since the latter months of 1921. To date, however, the better corporation issues have not participated to any extent in this rise, though in the American market, which is usually three or four months ahead of Canada, the better corporation bonds have shown rapid appreciation. In forecasting the possible movements of the market, it is the opinion of Housser, Wood and Company that the next substantial rise in investment securities will come in the better grade corporation issues, which have been put out by old industrial concerns with established earning power. These bonds will naturally be sought by the average investor who feels that municipal securities have reached a level where the interest return is not attractive to the investment of his funds.

There are many investors who gauge the future of the markets by the use of business cycles, and these cycles, are particularly affected by the rise and fall in money rates. One cycle shows that the first easing of money rates is reflected in the buying of municipal bonds, followed later by public utility, railway and corporation issues, next by preferred stocks, and ultimately by a speculative market in common stocks. So that at the present time followers of this system consider that we are now on the first stage of the cycle.

MAKING PARKER CARS

Plant of New Canadian Car Is Now In Operation

From Our Own Correspondent

MONTREAL.—The first cars have been turned out by the Parker Motor Car Company of this city and are now on exhibition. The company will have a number ready for distribution in a short time and deliveries will start within the next six weeks. It is understood that the sales in the Montreal district alone are sufficient to keep the factory operating for several months. A plan for an extensive campaign is under way for next season.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the third week of April amounting to $33,906 compared with $34,185 for the corresponding period in 1921, a decrease of $279. From January 1 to April 21, the earnings amounted to $525,875, a decrease of $33,570, or 6 per cent.

UNLISTED SECURITIES

Alta. Pac. Grain, pf	86	90
Am. Sales Book, 6s	98¼	....
Ashdown Hdw., 5s, 1928	87½	....
British America Ass.	....	5
Can. Oil, pf.	90	....
Can. Woollens, c.	20	21¾
C. Westinghouse, 8 p. c.	109¾	....
Coll. Shipbuilding, c.	30	42
Davies, Wm., 6s	100¼	....
Dom. Power, c.	24	25½
Durant Motors	10¼	11
Eng. Electric, pf. 40 p.c. bonds, c	96	100
Fam. Players, pf., 50 p.c. bonus, c., xd. 2%	47	51
Grand Trunk, 4s, 1955 (Min. and Prairie Div.)	69½	70¼
Grand Trunk, 4s, 1955 (Superior Division)	69¾	70¾
Gunns, Limited, pf.	65	67½
Harris Abattoir, 6s	98	....
H. Smith Pap., 7s, 1941	....	94
King Edw. Hotel, c.	58	62
Lambton Golf	410	440
Massey-Harris	47	52
M-Kay., p., xd., 1¾ p.c.	53	57
Nova S. Stl., 6 p.c. deb.	72	74¼
R. Simpson, p., xd., 3%	81	82
Sterling Bk., xd., 3 p.c.	99	101
Tor. Power, 5s, 1924	94	95
Western Grocers, p.	....	60
Whalen Pulp, c.	10	11
Do., pf.	24	26
Win. Electric, p.	82	83

Financial Literature

Readers may obtain copies of the booklets and circulars referred to direct from the firms named. In asking for literature the FINANCIAL POST should be mentioned.

"Municipal Improvements" is the name of a house magazine published by the Canada Cement Company, Montreal, for municipal officers. The first issue contains descriptions of several municipal works and an article on the municipal bond market.

A synopsis of all legislation passed at the recent session of the Saskatchewan house is contained in "The Public Service Monthly" distributed free by the Saskatchewan government.

The Citizens' Research Institute of Canada, Toronto, has issued a bulletin detailing per capita costs of governmental activities in the various provinces.

Trade between Canada and the British West Indies is discussed in the May letter of the Royal Bank.

STRONG OBJECTION TO COMING AMENDMENTS

Insurance Companies Say That Additions to Dominion Act Not Fair

"In my opinion the proposed amendment to the Dominion Insurance Act, in respect to market values of a company's securities is not as fair as that of book valuation," said Albert J. Ralston, president of the National Assurance Company, to THE FINANCIAL POST. "Let me give an illustration," Mr. Ralston continued, "supposing a policy matures in a year of depression, the profits that the policyholder would receive would be considerably less than he would have received in a year of high values, it is for that reason that I consider the proposed amendment unfair."

The proposed amendmentdeals with the introduction of the yearly valuation as at December, 31, of the securities of the insurance companies in their statements to the insurance department. In the United States and up till the present time it has been the practice of the insurance companies to use the book valuation in making up statements. This clause would deal principally in determining the value of bonds and debentures held by the companies. Another amendment which is strongly opposed is that dealing with the right of the department of insurance to dismiss any agent of a company, without notice to the company.

DECREASED PROFITS OF TUCKETT TOBACCO

The Inventories Were Considerably Reduced During the Year

The tenth annual report of the Tuckett Tobacco Company, Limited, of Hamilton, shows net profits of $249,933, compared with $255,753 in the previous year. President H. S. Ambrose points out in the report that from the net profits $240,000 was paid in dividends on the preferred and ordinary shares, leaving a balance of $9,933 to be added to the profit and loss acount. The inventories have been considerably reduced and the funds released have been largely invested in Victory Bonds, of which approximately $525,000 are held at the present time.

Capital assets of the company are valued at $5,353,065, of which $1,213,053 is represented by the inventories of raw leaf and manufactured products on hand. Bills and accounts receivable at $298,065 compare with $339,007 of 1921. Investments show a large increase from $69,623 to $569,150. The amount of cash on hand is slightly increased at $275.623, as against $240,921 of a year ago. Bills and accounts payable at $142,200 have been materially reduced from $318,273 of 1921. The surplus shows little change at $630,864.

MAY RECOVER DIVIDENDS

Interesting Judgment in the Dominion Permanent Affair

Authority to recover dividends paid to shareholders of the Dominion Permanent Loan and Savings Company, over a period of six years immediately prior to the winding up order made in February of 1918, was granted to the company's liquidator yesterday, by J. A. C. Cameron, master-in-chambers. Return of all dividends paid after the company became insolvent in 1904 was asked by the liquidator, but the master ruled that the statute of limitations, limiting liability of shareholders to six years, applied in the case.

While finding that the company paid dividends out of its capital, and even continued to pay dividends after the capital was finally eaten up in 1909, the master exonerates the shareholders from any allegation of impropriety, pointing out that their knowledge of the company's affairs was confined to the annual statements, which continued to show a state of financial solvency. Neither does he agree with the liquidator, that the payment of dividends was a fraudulent preference. Total amount of dividends wrongly paid, is said to be $2,500,000.

LIGHTNING RIVER GOLD

From Our Own Correspondent

MONTREAL.—An offering of 200,000 shares of Lightning River Gold Mines, with head office at Guelph, is being made by George W. Hamilton & Company of this city at a price of 50 cents a share. This company was incorporated February, 1920, but little development work had been done and the proceeds of the present issue are intended to carry on a more rapid development. The company has twenty claims in the Larder Lake Mining Division, some distance from what is known as the Larder Lake district. Work will be concentrated chiefly on Group 4, known as the Harker properties, and additional machinery will be installed for the purpose of further sinking. In the treasury of the company there will be left 1,100,000 of unissued stock after the 200,000 shares now being offered are disposed of. The company is capitalized at $3,000,000 of 3,000,000 shares of a par value of $1 each.

New York builders have filed plans in 4 months of current year for outlay of $256,500,000 against $110,500,000 last year.

We offer
Subject to Prior Sale

The Unsold Portion of an Issue of

$1,500,000

being a portion of a total issue of $5,000,000 of

8¢

Cumulative Preference Stock of the

Dominion Alloy Steel Corporation, Limited

(Incorporated under the Dominion Companies Act)

CAPITALIZATION

	Authorized	Issued
8 per cent. Cumulative Preference Stock	$7,500,000	$5,000,000
Common Stock	$7,500,000	$4,400,000
Bonds	$2,500,000	None

The Preference Stock is Preferred both as to Assets and Dividends and bears an 8 per cent. cumulative dividend, payable half-yearly, July 1st and Jan. 1st.

DIRECTORS

HARRY ROSS JONES (Chairman of the Board), Canton, Ohio; Director and formerly President, United Alloy Steel Corporation, Canton, Ohio.

GEORGE A. SIMPSON (Vice-President), Hamilton, Ontario; formerly Sales Manager and Special Representative of The Steel Company of Canada, Limited, Hamilton.

C. HAROLD WILLS, Marysville, Michigan; President, C. H. Wills Motor Co., Marysville, Michigan; formerly Chief Engineer, Ford Motor Company.

WILLIAM B. BOYD, M.I.E.E. (President), Toronto, Ontario; formerly Electrical Engineer, Illinois Steel Company, Chicago; formerly Chief Electrical Engineer, Dominion Iron & Steel Company, Sydney, N.S.; Chief Consulting Engineer to many large Canadian Industries.

BERT H. McCREATH (Vice-President), Toronto, Ontario; formerly Assistant Manager, Toronto Daily Star; Managing Director, Dominion Bond & Debenture Corporation, Limited, Toronto, Ontario.

COLONEL WILLIAM McBAIN, Toronto, Ontario; President, Windsor Securities Corporation; President, William McBain & Company, Limited.

SIR WILLIAM MACKENZIE, Toronto, Ontario; President, Toronto Railway Company; Director, British Empire Steel Corporation; Director, Canadian General Electric Co., Limited.

J. J. MAHON, Newark, N.J.; Consulting Steel Metallurgist; formerly Chief Engineer of the Crucible Steel Company of America.

W. WALLACE JONES, Toronto, Ontario; President, Ontario Steel Products Co., Limited.

TRANSFER AGENTS
Montreal Trust Co.
Toronto.

AUDITORS
Price Waterhouse & Co.

BANKERS
Royal Bank of Canada.

PLANT AND EQUIPMENT—The Dominion Alloy Steel Corporation, Limited, will erect at Sarnia, Ont., a modern Alloy Steel plant with open hearth and electric furnaces, rolling mills, machine shops, laboratories, etc., to produce Alloy and High Grade Carbon steels, particularly for the automotive and allied industries, and sheet steel specialties which are being imported in large tonnage annually. The plant will be constructed under the supervision of men who have been associated with the growth of the Alloy Steel industry and who are recognized as the leaders in the United States in developing Vanadium and other Alloy steels. The Canadian plant will have an initial output of sufficient tonnage to supply plants in Canada with requirements that are now imported from the United States.

EARNINGS—The proceeds of the present financing will permit the Company to erect a modern plant that will show handsome profits. Construction will commence as soon as engineering plans are completed, and the furnaces and rolling mill equipment will be available for production in about twelve months.

No period of experimental work will be encountered, as the Canadian plant will duplicate the modern equipment now used by the most successful Alloy Steel plants in the United States. No Preferred Stock is being allotted to anyone for services, patents or goodwill, and the Directors are subscribing in cash for all Preferred Stock being issued to them. The profits on Alloy Steel per ton are, of course, much greater than upon ordinary steel and the patents under which the Company will operate in producing certain steels will be valuable. Practically all Alloy steel used in the production of Motor Cars is imported and as the manufacturer has to pay a duty, plus high freight rates and exchange, and with a low rate for electric power, the new Company will be in a particularly favorable position.

MANAGEMENT—The Company has associated with it men who in different branches of the steel industry have gained pre-eminence and under whose guidance the policies of the Company will be carried out.

Mr. Harry Ross Jones joined the United Alloy Steel Corporation, Canton, in 1904, and under his management and Presidency it has shown remarkable profits and growth. This growth is almost entirely due to the success of the Company in specializing in the development of Alloy Steel. Associated with Mr. C. Harold Wills, Mr. Jones has been largely responsible for the commercial success of Vanadium Steel.

Mr. William B. Boyd, M.I.E.E., is one of Canada's chief consulting engineers and has been associated with the Steel Industry in Canada and the United States, and has been Consulting Engineer with some of Canada's largest electrical developments. His early association with the Illinois Steel Company in the United States and later with Dominion Iron and Steel Corporation together with his intimate knowledge of modern electrical equipment has given him a wide experience that will be of great value in the construction and layout of the Plant.

Mr. George A. Simpson was formerly associated in the Steel Industry in the United States, and for the past eight years has been Sales Manager and Special Representative of the Steel Company of Canada, Limited, at Hamilton. His association and experience in the Steel Industry, both in the United States and Canada, brings to the Company knowledge of inestimable value.

Mr. C. Harold Wills was associated with Mr. Henry Ford during the great development of that Company, and is now building the "Wills Sainte Claire," known throughout the world as the "Molybdenum Steel" car, which introduces a new era into motor car construction. The Company will have the use of Mr. Wills' Molybdenum Steel patents in Canada.

Mr. J. J. Mahon, for many years Chief Engineer of the Crucible Steel Company, Newark, has designed and built many large plants throughout the United States and is a consulting engineer of international reputation. He was brought to Canada during the war by the Imperial Munitions Board and supervised the production of shell steel throughout Canada.

The Canadian Directors are men of highest standing in their different spheres and have an intimate knowledge of Canadian conditions and requirements.

SITE—The Company will build its plant on the River Ste. Claire, at Sarnia, Ontario, on a site, ideally situated as regards receiving ore, coal and scrap material and where they can ship by water the finished product at low freight cost to the consumer. A very large tonnage of Alloy Steel is at present consumed within a radius of sixty miles of Sarnia.

The property provides ideal foundations for heavy construction and the combined rate on ore and coal is very favorable. The coal rate to Sarnia is one of the lowest on the Great Lakes, owing to the large number of boats going up the Lakes and passing this site.

SALE OF PRODUCT—The Company, unlike most new industries, does not have to create a new market for its product in Canada. Practically all the steel used in motor cars in Canada is imported, the Ford Motor Company alone importing a large tonnage yearly of Alloy and High Grade Carbon Steel, which, the Company states, is not procurable in Canada. Automotive manufacturers have readily seen the great advantages of this material and their advertising abounds with reference to parts made lighter and stronger by the use of Alloy steel. General Motors Corporation is now shipping from Oshawa practically their entire export demands for their many makes of cars, and the Alloy steel for practically all the various parts is imported. The Dominion Alloy Steel Corporation, Limited, will produce sufficient to supply the tonnage at present consumed in Canada with particular attention to standard requirements of the automotive industry. Steel can be produced at Sarnia at a low cost of production owing to the extremely favorable rates on ore, coal and electricity.

FUTURE—Alloy steel should not be confused with ordinary steel used in bridge and building construction, rails, plates, etc., at present manufactured in Canada.

It has been found that Alloy steels attain their best qualities through treatment by the electric furnace and the growing use of "electric furnace steel" has been widespread.

Particularly has the automotive manufacturer been more and more drawn to this steel. The regularity, ease and economy with which the physical properties of Alloy steel may be developed and maintained during manufacture has convinced everyone of its absolute necessity in successful quantity production. The total cost of the finished product of the quality required is the measure of the "commercial" value of a steel. The use of Alloy steel is, therefore, growing with startling rapidity.

Price: $100 per Share
Carrying a bonus of 40% of Common Stock
A Partial Payment Plan will be submitted to you on request.

H. B. Robinson & Co.
Investment Bankers
260 St. James St., Montreal

William A. Neer & Co.
Members Detroit Stock Exchange
Penobscott Bldg., Detroit, Mich.

Dominion Bond & Debenture Corp. Limited
Investment Bankers
Royal Bank Bldg., Toronto

FORWARD POLICY ON IMMIGRATION NEEDED AT ONCE

C.P.R. President Outlines Basis to Build Up Country

FREIGHT RATES

Serious Problem to Railways if Crow's Nest Pass Scale is Revived—Drop in Commodities Should Precede

From Our Own Correspondent

MONTREAL.—At the annual meeting of the Canadian Pacific Railway Co., on Wednesday of this week, Lord Shoughnessy, J. K. L. Ross, and Sir Thomas Skinner, Bart., were re-elected to the board of directors for a further term of four years. At the meeting of directors held subsequently, E. W. Beatty was re-elected as president, Lord Shaughnessy as chairman of the board, and Grant Hall as vice-president. The executive committee wil be composed of R. B. Angus, E. W. Beatty, Grant Hall, Sir Herbert Holt, Sir Vincent Meredith, Sir Edmond Osler and Lord Shaughnessy.

The chief topic dealt in by the president in his annual address to the shareholders was the great importance of imigration to Canada. He declared that Canada could not affordto be without a definite and forward immigration policy much longer. He then continued:

While it is urged that the depression both in agriculture and in general industry with consequent unemployment during the past winter is a reason why active immigration measures should not be taken, it must not be forgotten that there are types of immigrants that can be readily obtained and brought to Canada without the possibility of adding to the burdens of the country. The immigration of young people of British stock can be accomplished without affecting in any material degree the existing situation respecting unemployment. The immigration of domestic servants in substantial numbers may reasonably be encouraged and the immigration of agriculturists from Northern Europe, Great Britain and the United States who can only be secured in limited numbers should be actively prosecuted. In addition, the Government would, I think, be well warranted in framing a policy designed to permit more general immigration of carefully selected types from countries, the people of which have heretofore come to this country and succeeded under Canadian conditions. It must not be forgotten that Canada's opportunities deserve widespread recognition and even if adequate machinery is now begun to be set up, it will not be until 1923 that the results of the Government's activities will be felt.

C. P. R. Spent $68,000,000

Unless we feel that the conditions in this country will not be improved for some considerable time to come, it would appear that the preliminary steps to obtain immigrants in substantial numbers should be taken without further delay. The Canadian Pacific for many years has been the most active colonization agency in Canada. Settlers to the number of 54,000 have been placed upon its lands alone and the cost of the company's activities in land selling, irrigation and colonization since its incorporation has been extremely large, amounting in the aggregate to approximately $68,000,000, an amount in excess of the total expenditure of the Dominion Government for immigration during that period.

Mr. Beatty's next subject was that of railway rates and he declared that he considered the stability of railway rates in Canada (even if readjustment downwards are bound to continue until normal operating conditions are reached) as being of the greatest possible importance to Canadain railways.

Rates 49 Per Cent. Lower

His discusion of the subject was based to a great extent on the rather serious condition before the railways in the possibility of what is known as the "Crow's Nest Pass" rate being restored again, when legislation allowing the higher rate from that originally agreed upon expires on July 7 next. The importance of a decision as to whether the railway board is to continue to determine rates apart from the old agreement may be considered when according to the president these rates and the commodities specified are from 19 per cent. to 49 per cent. lower than the rate at present being charged. The Crow's Nest scale of rates, he declared. if applied literally would bring about an inequality of treatment between different parts of Western Canada which must of necessity favor some districts against others now enjoying relatively equal rates.

Slackness Not Due to Rates

He declared that the demand for further freight rate reductions was still persistent throughout Canada and to the existing scale of rates was attributed much of the present slackness in business. It was in his opinion an entirely erroneous impression, that the existing freight rates were the cause rather than the result of the present economic condition, the most important of which from a transportation standpoint is the present scale of wages and working conditions which the railways were compelled by government authority to accept during the war. "It is the view of your directors," he went on, "and it has been their view for some time. that the scaling downward of freight rates should be begun with reductions on basic commodities especially in those industries which have felt the general depression most severely."

While considerable progress had been made in reducing expenses on the road there still existed a serious increase above pre-war costs and the wage scales of 1921 were higher by percentages ranging from 82 to 368 per cent. from those existing in 1898 and 1899, and the cost of principal commodities including fuel and rails was also substantially higher, the increase in the case of rails being 92.32 per cent. and fuel 177.5 per cent. The operating rates of the company in 1897 were 57.16 per cent. while for the year 1891 it was 82.38 per cent. The situation, he concluded, was one which should have frank recognition.

He declared that he had been hopeful that the present year would see a resumption of at least normal activity in maintenance and construction works, the necessity for which always prevails on a system the size of the Canadian Pacific. Apparently, however we have not reached the period at which we can say that large expenditures are warranted, especially in view of the freight rate situation.

While there are some serious and difficult problems yet to be solved, the general sentiment of the country shows a distinct improvement over that prevailing at the end of last year and the beginning of 1921. I am very hopeful that the importance of the transportation agencies of Canada being permitted to undertake their full share in the country's advancement will receive due recognition and if it does I am convinced that the return to normal conditions will be greatly accelerated. Your company will, as always, endeavor to perform its part with the purpose of advancing the expansion of the country agriculturally and industrially.

BOND ISSUE $1,500,000 FOR CAN. STEAMSHIP

Offering of 7 Per Cent. Bonds Shortly to be Made in Canada

From Our Own Corerspondent.

MONTREAL.—The new financing of Canada Steamship lines will take the form of $6,000,000 of 20-year 7 per cent. bonds due May 1, 1942. It is understood that the portion outstanding of the issue of 10-year 7 per cent. bonds made last Fall will be called in. The new issue in order to accommodate itself to the offering in the United States was made payable in Sey York as well as in Canada, which the previous issue was not. A special meting of the shareholders of the company has been called for May 15 immediately prior to the general annual meeting, in order to give authority for the change in the form of the new bond from that authorized last year. These bonds are not technically a direct first mortgage bond but are secured by $8,400,000 as collateral in the form of the Company's first mortgage 5 per cent. debentures, in addition to which some $5,000,000 are outstanding. Of the new issue $4,500,000 has been taken up in the United States and was offered there on Wednesday of this week by a syndicate composed of Kissel, Kinnicut & Co., and Blair & Co., of New York, and the Union Trust Company of Pittsburgh, Pa., while the remainder of $1,500,000 will, it is understood, be offered to the public by a syndicate headed by Nesbitt, Thomson & Company of this city. The American issue was offered in New York at 96 and interest giving a slight yield over 7⅜ per cent.

STOCK MOVEMENTS OF THE WEEK

Week Ending May 2

Banks— Industrials, Utilities, Etc.—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	187	186½	187	186½	187	259
Dominion	12	191	190	192	191	191	35
Hamilton	12	....	168	168	168	168	2
Hochelaga	10	....	146½	146½	146	146¼	58
Imperial	12+1	171	....	171½	171	171	48
Molsons	12	....	160	161	160	160	18
Montreal	12	220	217	221	218	218½	184
Nova Scotia	16	....	256	259	258	258	151
Royal	12	198	197	198½	197½	197¾	104
Standard	14	201	....	200	200	200	83
Toronto	12	180	178	180	180	180	19
Union	10	137¼	137	137	136	137	321
Industrials, Utilities, Etc.—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Abitibi Paper com	..	54½	54¼	56½	50¼	56½	8706
Ames Holden pref.	..	....	9	10	9	9½	195
Amer. Salesbook com.	..	16	14½	15½	15	15	51
Do pref.	7	89	87	89	88	88	18
Asbestos Corp. com.	6	57¾	57	60	57½	57½	400
Do pref.	7	79½	....	80	79	79	12
Atlantic Sugar com.	..	19	18½	22	18	18½	4775
Barcelona Traction	..	6⅝	6½	6¾	6⅛	6¾	2245
Bell Telephone	8	109¼	109	109⅜	107¼	109¼	8057
Brazilian Traction	..	45	44¾	45⅞	42¾	45	19618
B. C. Fishing	..	30½	28	30	27½	28	305
Brit. Empire Steel com.	..	12	11	11	11	11	66
Do first prefered	7	....	74	75	75	75	5
Do second preferred	..	28	27	27	26	27	517
Brompton Pulp	..	29¾	29½	32⅝	27	32½	8577
Burt, F. N. com.	10	116	115	116	115	116	57
Canada Bread com.	..	32½	31½	33¼	29⅝	32	1335
Can. Car & Foundry com.	..	28	27½	27½	26	26¾	305
Do pref.	..	....	56¼	57	55⅞	57	1145
Canada Cement com.	6	62½	61¾	62½	61¼	62	633
Do pref.	7	89⅞	89¼	91½	89¾	89⅞	132
Canada Steamships com.	..	23	22	23¼	18⅞	22½	2794
Do pref.	..	....	54	54	48	54	6164
Can. Converters	7	....	82	84½	82	82	205
Can. Cottons com.	8	90½	90¼	90½	88	90½	476
Do pref.	6	....	80	80¼	80	80	61
Can. Gen. Electric com.	8	92½	91¾	92½	91	92¼	503
Do pref.	7	....	100½	102½	102½	102½	5
Can. Locomotive pref.	7	84	....	84	84	84	10
Canadian Pacific	10	144	143	145	141	144	524
Canadian Salt	8	75	....	72½	72	72½	74
City Dairy com.	10	115	....	116	114	115	30
Do pref.	7	95	94	95	95	95	51
Consumers Gas	10	152	150	152	151	151¾	34
Detroit United Rly.	..	65	64	65	61	64⅞	734
Dominion Bridge	4	71	69	71	70	70	140
Dominion Canners com.	..	34	32½	34	31½	33	230
Dom. Telegraph	6	....	40	40	40	40	7
Dominion Glass com.	6	67	66	67	64½	67	465
Do pref.	7	95	....	95	95	95	1
Dom. Textiles com.	12	154	153	154½	150	154½	396
Do pref	7	....	108½	109½	109	109	34
Dominion Coal pref.	7	....	69	71	71	71	10
Dominion Iron pref	7	....	75	74	74	74	25
Dominion Steel com.	..	29	28	29	29	29	27
Do pref.	6	74½	....	75	74	74	212
Duluth-Superior	..	19	18	20	18	18	392
Howard Smith Paper com.	6	68½	67¾	70	65	69¼	2075
Do pref	8	93	92	93	88	93	437
Illinois Traction pref.	6	....	....	79	77½	77½	25
Lake of Woods com.	12	....	162	162½	161	162½	91
Do pref.	7	....	109	109	109	109	10
Laurentide Paper	6	88	87½	88	84	88	1714
Lyall Construction	..	35	34½	35½	34	35½	165
Macdonald A.	..	16	15	16	15	15	10
Mackay com.	6	93½	93	93½	92¾	93¼	2551
Do pref.	4	66	65	66	65	65¾	131
Maple Leaf Milling com.	12	140	138	140½	139	139	75
Do pref.	7	....	99	100	99½	100	252
Montreal Cottons com.	6	....	....	86	85½	86	50
Do pref.	7	....	105	106	106	106	93
Montreal L. H. and Power Cons.	5	91½	91⅜	92	90	91¾	1902
Montreal Telegraph	8	50	....	50	50	50	3
Montreal Tramways	10	145	144	146	142	146	602
National Breweries com	4	55	54⅝	57¼	54⅜	56½	5510
Monarch Knitting pref.	7	....	79	80	80	80	6
Ogilvie Flour com.	12	....	230	230	230	230	200
Do pref.	7	114	110	112	112	112	55
Ontario Steel Products com.	4	40⅛	39½	40	40	40	95
Pacific Burt, pref	7	90	87	90	90	90	1
Ottawa L. H. & Power	6	85⅛	85	85½	84	85½	182
Penmans com.	8	105	....	107	104	107	156
Porto Rico Railways com.	4	27½	26½	27½	27	27	440
Price Bros.	2	46	44⅝	46	41	45	3250
Provincial Paper pref.	7	87	....	85⅞	85⅞	85⅞	5
Quebec Railway	..	25	24½	26	24½	25½	2022
Riordon Pulp com.	..	9	8	9¼	8¼	8½	495
Shawinigan	7	107	106	107	105	107	388
Do pref.	..	15	14	15	14	15	90
Rogers, Wm. A. pref.	7	88	80	80⅛	80⅛	80⅛	10
Sawyer Massey pref.	..	30	25	26	26	26	5
Spanish River Pulp com.	7	....	83	83¾	77½	83¼	3553
Do pref.	7	95	94	95	87¾	94	5348
Steel of Canada com.	7	68	67½	69	67	67¾	1755
Do pref.	7	96½	95½	96¼	96	96	99
St. Lawrence Flour com.	6	80	....	80	80	80	55
St. Maurice Paper	5	88	87¼	88	88	88	55
Toronto Railway	..	66¼	65½	67	63¼	66½	1736
Tuckett Tobacco com.	4	42	40	42	38	42	620
Do pref.	7	....	83	82	82	82	25
Twin City com.	..	50½	50	51	49¼	50½	854
Wabasso Cotton	4	....	63	63	63	63	10
Wayagamack	..	52	51½	54	51	51	520
Western Can. Flour	8	121	....	121	121	121	20
Winnipeg Electric	..	....	43	43	40¾	43	1213
Woods Mfg. Co. com.	8	....	....	55	55	55	35
Canada Landed	10	....	76	76	76	76	24
Canada Permanent	12	....	178	179	179	179	8
Real Estate Loan	7	....	90	92	92	92	15
Toronto Mortgage	10	....	75½	75	75	75	4
Union Trust	7	....	89	89	89	89	5

MINING STOCK QUOTATIONS

Week Ending May 2

	High	Low	Close	Sales
Adanac	1¼			500
Apex	3⅞	3¼	3½	34,500
Atlas	28	23	24½	38,500
Bailey	2			1,000
Beaver	35½	34¾	35	31,700
Coniagas	1.35	1.27	1.35	1,100
Cons. Smelt.	23¾	22¾	23	1,362
Cr. Reserve	19½	17	18	10,560
Dome Exten.	95			125
Dome Lake	13½	11½	11¾	
Dome Mines	28.70	26.55	28.70	2,565
Gifford	⅝			3,000
Gold Reef	4	3¼	3¾	136,500
Hillcrest, com.	65			25
Hollinger	9.75	9.55	9.75	8,300
Hunton	9¾	9	9¼	24,500
Keora	14½	12¾	13¼	16,000
Kirkland Lake	46½	45	45	6,000
La Rose	40	29	31	38,000
Lake Shore	2.44	2.11	2.44	47,600
McK. Darragh	38	38	33	78,100
McIntyre	19.50	17.20	19.00	8,940
Mining Corp.	1.05	1.00	1.05	853
Moneta	14½	13	13½	25,000
Newray	24	21	23	88,000
Nipissing	6.60	6.40	6.40	160
Ophir	3	2¾	2⅞	4,500
Peterson Lake	5	4⅞	4⅞	6,000
Porc. Crown	29	25½	27¾	29,500
Porc. V.N.T.	37	32½	37	206,000
Pres. S. Dome	9¼	8¼	9	66,000
Schumacher	58½	55	58½	19,500
Silver Leaf	⅞			2,000
Teck Hughes	65	57	61	261,500
Timiskaming	34½	33	34	8,700
Thompson K.	6	5½	5½	12,000
Trethewey	5¼	4¼	5⅛	14,400
West Dome	13¾	12	13	40,600
Wasapika	8	6¾	7⅝	48,000
West Tree	8⅞	7¼	8½	35,500
Baldwin	6	5¼	5¼	19,000
Hattie	19¾	19	19	8,000
South Keora	43	41	43	13,500
Wright Har.	3.00	2.90	3.00	2,000
Castle Treth.	29	27	29	42,500

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the week ending April 21, amounted to 9,008 tons, while for the year to date the receipts totalled 138,441 tons.

The Elements of Profit Without the Element of Risk

In offering the 8% First and General Mortgage Sinking Fund Gold Bonds of the

Imperial Steel Corporation
LIMITED

we are giving investors an unusual opportunity to secure a high-grade industrial bond backed by an old-established and growing business, with assets over three times amount of issue, and earning power conservatively estimated at over three times interest requirements for th bond issue.

The Imperial Steel Corporation, Limited, has one of the largest and mostmodern wire plants in the world, and is one of the largest producers of wire products of all kinds in Canada. Its business and that of its predecessor has been in successful operation for about fifteen years.

At present, the plant is working 24 hours per day, with sufficient orders on hand to keep it working to capacity for several months.

The day of the 8% bond is fast passing, and when conditions readjust themselves, these bonds should sell at a much higher price. Bonds of a similar nature in the United States are selling on a 5¼ to a 5½% basis.

PRICE: $100 and accrued interest to yield 8%

We have prepared an interesting circular that gives complete information regarding this offering. We would be glad to mail you a copy.

CONTINENTAL BOND CORP.
LIMITED
120 Bay Street TORONTO

An 8% Investment
In a Company with a Future

We offer
THE CANADIAN SHADE CO., LTD.
Eight Per Cent. Cumulative Preference Shares
AUTHORIZED CAPITAL
8% Cumulative Preference Stock (par value $100) $100,000
Common Stock (par value $10).......... 100,000
Price: Par with a bonus of one share of common stock or one share preferred and four shares common for $120.
Dividend has been paid to 31st March, 1922, to all stockholders at that date.

REGENT SECURITIES CORPORATION, Limited
307 Royal Bank Building - TORONTO
Adel. 52 & 7785

McLaughlin

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THE question of greatest importance is not what you will be allowed for your old car but the price you pay for the new car and the *value received*.

You are money out if allowed $100 more for your old car, yet have to pay a $250 higher list price for a new car *when the comparative value is not there.*

A purchaser's loss is only postponed when trading allowances are made above a used car's *real value.* The deal that may appear most satisfactory to you in the beginning may prove to be the most expensive in the end.

No one receives anything gratuitously in this world — *don't be misled by false allowances.*

We believe that any sales policy which encourages the giving of fictitious values for used cars *is an injustice to the public.* We wish to establish definitely the fact that the McLaughlin Motor Car Co., Limited, has never followed this policy—rather has always based the price of its product upon actual costs and when costs come down correspondingly reduced the prices of its cars to the public *without any camouflage whatsoever.*

Compare McLaughlin-Buick Values and Prices with all others.

McLaughlin-Buick Cars are BUILT, not merely assembled, in Canada.

Ask us about our plan of Deferred Payments.

New series in Four Master Four Models in Roadster, Touring, Coupe and Sedan Types, ranging in prices from $1,340 to $1,995, and Seven Models of the Master Sixes in Roadster, Touring Cars, Coupes and Sedan Types, ranging in prices from $1,965 to $3,445 f.o.b. Oshawa. Sales Tax Extra.

McLAUGHLIN MOTOR CAR CO., LIMITED
Subsidiary of General Motors of Canada Limited
OSHAWA ⁘ ONTARIO

Branches in Leading Cities. Dealers' Everywhere.

McLAUGHLIN-BUICK

ATLANTIC SUGAR LOST $8,000,000 ON RAW SUPPLIES

Change from Working Capital of $3,800,000 to $6,012,000 Deficit

SALES OF $30,000,000

Refineries Now Working to Capacity—Must Sell Bonds to Provide Capital

From Our Own Correspondent

MONTREAL.— The sugar refining industry of Canada stands by itself in the tremendous losses that were incurred in the process of deflation from the peak of prices to the low point now reached. In no other industry is there a record either of manufacturers being stocked up to such an extent beyond the consumption demand that followed the break in prices, nor is there any record of so spectacular a slump in prices as occurred in the drop in raw sugar and, of course, with it the drop in the price from the peak to the price that has been prevailing for months past. The main losses in the industry were incurred during the year of 1921, when the refiners started out loaded up with enormous quantities of raw sugar which they had been unable to dispose of in the form of refined during the latter part of 1920. Nor could they get rid of the raw sugar even at very heavy losses, as the market was over-stocked. Elsewhere in this issue is contained a statement in regard to the extent to which government control of the industry is blamed for the heavy stocking up of raws in the latter part of 1920. There are records of prices dropping off to one-third or even one-quarter what they had been, prices that cover cotton goods, wool goods, and certain grades of pulp, but the sugar industry witnessed a decline of one-tenth the peak price, thus incurring for certain portions of stocks on hand a loss of 90 per cent. of the cost price.

Lost $7,977,040 on Raws Alone

In the case of Atlantic Sugar Refineries there was a net loss incurred of raw sugar purchased during the year of $7,977,040, with additional $164,000 incurred in supplies of refined, a total of over $8,100,000. It is no wonder, then, that the reserve of over $3,000,000 on hand on April 30, 1920, was created into a deficit of $5,188,000 at the end of 1921, according to the annual statement now made public.

The report itself covers a period of twenty months, that is from May 1, 1920, to December 31, 1921. In the previous case the fiscal year of the company ended on April 30, but when April 30, 1921, arrived the management of the Company found it impossible to estimate the actual losses that had been and would be incurred on their stocks of raws only a portion of which had been distributed in the form of refined sugar by that date. It was, therefore, decided to extend the period of the report and change the fiscal year to coincide with the calendar year.

Operating Profits

The operating profits for the twenty months amounted to $1,145,000, as against $1,594,000 for the twelve months previous. Special interest charges, however, which were incurred through heavy loans made during the last year to make up for the losses in raw sugar, increased this item from $131,000 to $1,119,000, leaving a deficit of $164,000 as compared with a profit of $2,500,000 the previous year. It must be noted, of course, that over $1,000,000 of this latter amount was due to profitable transactions in raw sugar during the year 1920.

The deficit was further increased with the payment of preferred dividends, and common dividends for a portion of the period.

Deferred Accounts $3,500,000

The balance sheet reveals the appalling losses which the company experienced. This does not show so much in the current assets as in the liabilities. There is an amount of "accounts payable deferred" of over $3,500,000. This, it is understood, covers payments due on account of raw sugar bought in 1920 which are to be distributed over several years, and even the original arrangements, it is understood, of covering the payments in three years, has had to be extended to save the Company. Bills and accounts receivable have gone up from a little over $1,000,000 to over $3,400,000. The net result is that there is a deficit in the working capital of $6,876,886.

The list of labilities shows a reduction in the preferred stock from $2,500,000 to $1,111,100. This is the result of an exchange from the preferred to the common stock which took place when the latter was raised to a 10 per cent. dividend. The common stock has increased by a similar amount from $3,500,000 to $4,888,900, or an addition of 13,889 shares. There is an amount of $3,000,000 of 6 per cent. second mortgage bonds to December 1930 pledged as collateral securities for bank loans.

The profit and loss items, and working capital accounts compare as follows:

Profit and Loss Account

	1921 20 mos.	1920 12 mos.
Profits	$1,145,935	$1,594,888
Investments	....	9,009
Other profits	....	1,199,012
Total income	$1,145,935	$2,802,910
Bond int.	111,133	81,450
Other int.	† 1,199,672	131,325
Deficit	$ 164,870	*2,590,135
Depreciation	30,585	721,031
Repairs	167,111	....
Contingent..	....	1,199,012
Net loss	$ 362,566	* 670,090
Pfd. divs.	808,696	262,500
Com. divs.	119,720	....
Deficit	$1,290,982	* 407,590
Prev. bal.	1,106,362	698,771
Deficit..	$ 184,619	*1,106,361
Res. Apl. 30, 1920..	3,148,326	....
Balance	$2,963,704	....
Losses—		
Raw sugar ,purchased, 1920.....	$7,977,040	....
Refin. supplies ...	164,344	....
Can. contracts ...	10,599	....
Total deficit	$5,188,279	....

†Including bank loans and accrued interest.

*Balance.

Working Capital Account

Current Assets—	1921	1920
Cash	$ 23,288	$1,438,041
Acc. rec.	112,906	922,569
Bills rec.	69,704	1,147,519
Investments.	139,825	27,127
Inventories.	567,398	1,453,465
	$913,121	$4,988,721
Current Liabilities—	1921	1920
Bills & acc payable	$3,402,366	$1,161,981
Acc. pay. deferred	3,523,195	....
	$6,925,561	$1,161,981
Work. capital	*6,012,440	+3,826,740

*Deficit.—Change from previous year of $9,839,180.

CEMENT INDUSTRY BECOMING ACTIVE

Prospects Slowly Improving as New Sales Fields Develop

From Our Own Correspondent

VICTORIA.—Some time ago THE FINANCIAL POST published a dispatch from here telling of the post-war recovery of British Columbia's cement industry following a protracted depression that lasted throughout the period of hostilities in Europe.

At that time the cement interests hoped to break into the South American trade, but since then German cement has been finding its way to that territory and its manufacturers have been able to quote a price underselling the Canadian product by nearly a dollar a barrel. For a time the outlook was overcast again, but the industry is slowly penetrating new sales fields and looks forward to unusual activity in the not distant future.

The B. C. Cement Company, headed by R. P. Butchart, recently shipped a cargo of cement to Central America and it is laying the foundation for permanent trade connections there, and a line of credit with the Chinese Government is now being established with a view to shipping extensively to the Far East. One cargo now being assembled is destined for Harbin, Manchuria, where new construction is under way.

Mr. Butchart is now on an extended business tour in the Orient and it is expected that he will be able to lay the foundation in Japan and China, as well as other Asiatic countries, for a prosperous trade in British Columbia cement.

LIMITED DEMAND FOR COAL DEALERS STATE

Industrial Concerns Have Considerable Stocks of Soft Coal

As a result of the coal strike the price of bituminous coal on the Toronto market has gone up from 30 to 40 per cent. within the past ten days and few sales are being made. There is practically no demand for coal on the Ontario market and what little amount is coming in, is sufficient to meet all requirements. Only about 25 cars of both bituminous and anthracite arrived in Toronto at the beginning of last week, as against 200 to 300 cars in normal times.

One large dealer stated that there will be enough hard coal to meet the demand for the remainder of the burning season and added that the output of hard coal was practically nil, as the strike was 100 per cent. effective in this field. As yet there has been no advance in prices for hard coal. At the beginning of the strike, dealers were carrying somewhat larger stocks than usual and the only additional hard coal they had received was what was then on wheels and a small supply of river coal.

Some dealers are experiencing difficulty in obtaining slack and in many instances it is necessary to place mixed orders of slack and lump in order to get the former. In one circle it is predicted that another two weeks will see an active demand for soft coal in existence here, while on the other hand, not a few industrial concerns say that they will not be in the market for two or three months yet.

Something Unusual in Mining Finance

A pre-listing offering of Shares in which every dollar subscribed, without deduction of any kind, goes into the Treasury of the Company, to be used in completing the equipment and development of the property, already past the stage of initial doubt.

Clifton Porcupine Mines, Limited

(No Personal Liability)

The property of this Company, located one-quarter of a mile south of Dome Mines, in the Porcupine district, is owned outright, without incumbrance of any kind.

A complete electrically-driven mining plant, housed in buildings of substantial character, has been installed, and is ready to run.

The Company does not owe a single dollar, but already has several thousand dollars in cash in its Treasury.

The development already carried out to a depth of 225 feet, has indicated the existence of several thousand tons of high-grade ore.

The object of this issue of 170,000 Shares is the building of a milling plant, to be used in treating this ore reserve. The property can be placed on a self-sustaining basis just as soon as this milling plant, already planned for, is placed in operation, and on a basis of substantial profit very shortly thereafter.

The original owners of the property, with the undersigned, are paying all expenses in connection with the sale of this Treasury Stock, as our contribution toward the early and definite success of the Company. As a result, every dollar subscribed becomes available for the purposes of actual equipment and development.

Some Salient Facts Concerning This Company

Incorporated April, 1919, under the laws of Ontario. Capitalization Authorized, $2,000,000 in One Dollar Shares.

Capital issued .... 1,630,000 shares
In Treasury .... 370,000 shares

The property is connected with the towns of the Porcupine district by good wagon roads, and the Dome spur of the T. & N. O. Railway is within a half-mile of the plant. The power line of the Northern Canada Power Company crosses the property. Ample water for all mining and milling purposes is available in Simpson Lake, a few hundred yards from the site of the proposed milling plant.

Three shafts have been sunk on the property, two to a depth of 90 feet, and one—the main shaft—to a depth of 225 feet. From the latter shaft over one thousand feet of cross-cutting and drifting has been carried out, proving the continuation, to that depth, of several parallel veins which carry high-grade ore.

Previous to the acquisition of this property by the Clifton Company, four cars of unsorted vein material were shipped from the shallower workings to the American Smelting & Refining Company's smelter at Perth Amboy, New Jersey. These four cars totalled 103 tons in weight. The gross returns were $15,211.36, an average of $147.68 per ton.

Only two other properties in Northern Ontario have ever shipped gold ore in equal quantity which gave higher values per ton. These are the Tough Oakes in the Kirkland Lake district and the Croesus in the Township of Monroe.

The management of the Company is vested in men of repute, all with experience in the executive and practical handling of mining affairs. During the life of the Company the directors have paid their own expenses on numerous trips to the mine and to meetings of the Board, and have drawn nothing in the way of salaries or fees. No salaries will be paid to the Board of Directors until such time as the Company is operating at a profit.

The money already received from the sale of Treasury Stock accordingly has been expended in the work of equipment and actual development of the property, with results which justify a confidence that Clifton can, in a period of months, be brought to a basis of splendid profit.

We do not know, of course, what there is in store for the Company in the way of ore or values at greater depths. We do know, however, that in the work already done, ore which will compare in value with that of any other mine in Northern Ontario has been developed in substantial quantity. The fact that the operating mines of the Porcupine district have found that values actually increase as greater depths are attained, makes it reasonable to believe that Clifton will find the same conditions to exist.

THIS OFFERING IS LIMITED TO 170,000 SHARES, THE PROCEEDS OF WHICH WILL BE SUFFICIENT TO PROVIDE THE MILLING EQUIPMENT PLANNED FOR AND PLACE THE MINE IN SHAPE FOR STEADY PRODUCTION.

In order to give you every chance to ascertain the real facts concerning this Company, subscriptions will be received on the understanding that the subscriber shall have thirty days in which to investigate. If for any reason he is not satisfied, he will receive the return of his money in full, on written request to the Company, at any time within the thirty-day period.

Subscriptions will be filled in the order in which they are received, and the right is necessarily reserved to refuse subscriptions and return the money in case of over-subscription. The subscription lists will close in any event on or before May 27th, 1922.

We have no hesitation in recommending the purchase of this stock at this net issue price as a clean-cut, business man's speculation, in which you are guaranteed an absolutely fair and square run for your money.

USE THE ATTACHED ORDER BLANK TODAY TO MAKE SURE OF OBTAINING THE ALLOTMENT YOU DESIRE. REMEMBER, YOUR MONEY BACK IN FULL IF YOU ARE NOT SATISFIED. AT ANY TIME WITHIN THIRTY DAYS.

Clifton Porcupine Mines, Ltd.,
703 Bank of Hamilton Bldg.,
Toronto, Canada.

I am enclosing Check / Draft / Money Order for ....
dollars, to cover the purchase of....................................
shares of stock in Clifton Porcupine Mines, Limited, at 30c per share.

This order is given and accepted on the distinct understanding that I am to have thirty days for investigation. If for any reason I am not entirely satisfied, I shall be entitled to the return of my money in full on request made to the Company in writing at any time within such thirty-day period.

Have certificates issued in the name of....................................
....................................whose address is
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Make remittances payable to the order of Clifton Porcupine Mines, Limited.

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We invite you to avail yourself of the complete facilities of our Savings Department. Interest compounded half-yearly and full checking privileges allowed.
One dollar or more will open an account. As your savings increase you may invest in our ordinary or accumulative debentures and secure the attractive rates of interest these high-grade securities yield. For example, $76.24 will buy an Accumulative Debenture for $100 payable at the end of five years, increasing your capital in that period by more than thirty per cent.

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CUT IN EARNINGS OF PRICE BROS. FOR PAST YEAR

Had to Call on Surplus to Cover Dividends on $42,000,000

INTERNAL ECONOMIES

Brought Into Effect and Inventories Reduced to Present Values—Earned 2.07% on Common

From Our Own Correspondent

MONTREAL.—A shrinkage in the net earnings of Price Bros. & Co. for the year 1921 is due partly to causes common to all producers of newsprint in Canada and partly to causes that apply particularly to this firm. In brief, the profits for the year amounted to $1,327,000 as compared with profits of $1,135,000 for four months of 1921, and profits of over $2,000,000 for the twelve months' period previous. The result was that after making dividend payments there was a deficit of $160,000 for the year leaving the profit and loss balance to be carried forward, $490,000.

The president of the Company, Sir William Price, has set forth very succintly the reasons for the decline in the profits. He says:

> "There has been a decided falling off in inventory values, and your directors have felt it incumbent upon them to write all these down to replacement values, or less, but in doing this they have found themselves unable to make any provision for ordinary depreciation of fixed assets or depletion of limits. This year under review covers a period during which the company suffered from labor troubles at its paper mills. The loss thus entailed by reduction in output, coupled with the shrinkage on account of falling prices in newsprint, is reflected in the company's earnings. The year under review has been a very bad one for the lumber business, and this is also reflected in the shrinkage in revenue. Your directors being alive to the fact that the general depression was likely to last for some time, immediately set about making all possible internal economies, and feel that with their inventories brought forward at values, as explained above, the company is in a proper shape to face the present depression until such times as conditions improve."

Lumber Business; Labor Troubles

The conditions under which Price Bros. were operating that were unlike in some respects those of other companies, consisted in the fact that a large portion of their revenue comes from the lumber business which does not apply to most other newsprint mills, and also the fact that their Company determined to operate its plant as a non-union one while most of the other newsprint mills in Canada remained union or followed the terms arranged as result of the strike. Indeed some of the other mills kept open all the time while the strike was going on and their production was improved owing to the shutting off of supplies as a result of the strike in Canada and the United States for a period of a few weeks in May and June, 1921.

$2,689,000 Net Working Capital

The subject of net earnings, however, for the year 1921 is of less importance at the present time than that of the financial position of the Company as it entered upon the near year. This must be regarded as a satisfactory one. It is quite true that heavy inventory losses have made themselves felt in the net working capital position, and that bank loans have increased from $1,300,000 to $2,444,000, with demand loans amounting to $296,000. Accounts payable, however, have been cut down from $2,309,000 to $162,000, a reduction of over double the amount of the increase in bank loans. It will be noticed that advances against wood operations have been reduced from $842,000 to $227,000, indicating that the operations of this company last fall, as of most others, were cut very greatly. This was due to the large supplies of pulpwood on hand, indicated by the fact that the inventories, while the value per cord has been cut sharply, still remains slightly above those of one year ago.

Taking the current assets and current liabilities it will be seen that the net working capital has been reduced by a little over $1,100,000 and stands at $2,689,000 as at December 31, 1921.

The profit and loss account shows comparison of earnings for four months of 1921 which was a period starting with November, 1920, and ending with February 28, 1921, that is, the first four months' period of the Company that was re-organized when the stock was divided up into shares of 5 to 1. The increase dividends ,which were responsible for changing a surplus into a deficit for the year as compared with the old rate, shows 2 per cent. on the new stock paid for six months of the year and 2 per cent. for the last half, or an average of 2½ per cent.—or 12½ per cent. on the original stock—compared with an average rate of 3 per cent. for four months' period. It is interesting to note that when the dividend reduction was made from 3 to 2 per cent. last year, the Company was bringing itself within its earnings for the year ending December 31, 1921, as these work out at 2.07 per cent. on the outstanding capital stock, which now amounts to $42,683,200. The bond indebtedness has been reduced during the year from $4,978,016 to $4,770,696. The reserve still stands at over $1,100,000.

Below is given the statements of profit and loss and also the working capital account:

Profit and Loss Account

	1922	4 Months. 1921
Profit	$1,327,332	$1,135,450
Bond int. etc.	419,976	141,992
Note int	2,000	....
Net profits	$ 906,356	$ 993,358
Dividends	1,067,976	341,466
Deficit	$ 161,620	*$ 651,882
Prev. surp...	651,992	....
P. & L. Bal... ..	$ 490,372	$ 651,992

*Surplus.

Working Capital Position

Current Assets—	1922	1921
Cash	$ 69,404	$1,310,654
Receivables..	856,802	1,133,288
Inventories..	4,550,163	4,308,255
Advances	227,021	842,947
	$5,703,390	$7,595,144
Current Liabilities—	**1922**	**1921**
Bank loans..	$2,444,000	$1,308,000
Demand loans	296,183	....
Accts. payable	162,362	2,309,275
Accrued int.	82,478	83,967
Wages accrued ...	29,020	78,941
	$3,014,043	$3,780,183
Bal. work. cap. ..	$2,689,347	$3,814,961

RAISING FUNDS FOR ALLOY STEEL PLANT

Offering of $1,500,000 of Stock of Dominion Alloy Steel Corporation

Of the $5,000,000 of preference stock to be issued by the Dominion Alloy Steel Corporation, $1,500,000 is being placed in Canada and an offering has been made of this amount by a syndicate in which two Canadian houses, the Dominion Bond and Debenture Corporation and H. B. Robinson and Co. are associated. While the company is incorporated under Canadian laws a large part of the capital, it is planned, will be raised in the United States and an offering of stock is being made on the other side by houses associated with William A. Neer and Co. of Detroit.

With the money so raised the company proposes to erect at Sarnia a plant for the manufacture of alloy steel, a product that has a wide market in the automotive and some other industries and which is now chiefly imported from the United States. By duplicating equipment and processes that have been given a thorough trial in plants across the border it is hoped that expensive experimental work will be entirely avoided. Construction will proceed, the prospectus states, as soon as engineering plans are completed which should make possible the completion of the plant available for production within a year.

The securities now being offered consist of 8 per cent. cumulative preference shares and common stock and are offered on the basis of par for the preferred with a 40 per cent. bonus of common. Provision is made in the authorized capitalization for a subsequent issue of $2,500,000 of bonds.

Since the preliminary announcement of the directorate was made Harry R. Jones, the head of the $50,000,000 Alloy Steel Corporation of Canton, Ohio, has become chairman of the board and William B. Boyd, formerly associated with the Illinois Steel Company, The Dominion Iron and Steel Corporation and various Canadian electrical interests has become president.

FAVORABLE FACTORS IN PURCHASE DEAL

Detroit United Railway Now Free of All Political Troubles

The purchase of the Detroit United Railway urban line has materially strengthened the company, is the view held by its investors. The opinion is general that freed from the expense of constant political troubles and city line operation, the company can earn at least 7 per cent. on its present $15,375,000 capital, from its interurban business.

After the purchase of the property the company is left with approximately 600 miles of interurban lines. Including real estate, cars, overhead equipment and rights in Flint and Huron Railroad, the 600 miles will, if city payments totalling $19,850,000 are applied to reduce the cost of property account, stand at slightly less than $40,000,000. Applying city payments to reduce the bonded debt total of $35,221,500 the remainder will be $15,371,500 or at the rate of $25,618 per mile. Terms of purchase contract call for payments of $2,770,000, $500,000 each six months on January and July 1, until July, 1931, and the remainder on December 31, 1931.

Other favourable factors in the city purchase contract are provisions that the city pay 6 per cent. on unpaid balances of the purchase price and to take practically all the company's inventory of materials and supplies. Inasmuch as the company's long term debit is largely financed at 4½ per cent., it is estimated that the 6 per cent. interest clause means an advantage of a round $1,000,000. The sale

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Two for 35¢

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Enjoy them to-day
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NEVER was human life so cheap as it can be bought to day in the famine districts of Russia.

$1 will save a child's life by providing food for a month
$10 will save ten children from starvation.
$500 will establish a kitchen and feed 100 children next harvest.

Will you save a life with a dollar?

Could any other dollar you have—or ever h bring such soul-satisfying returns?

Wouldn't you sleep better—feel better—be knew that a dollar of yours saved a child's

Only—anything you do to save the chil their desperate fight against death from s done at once. Won't you send the dolla life depends on it.

Cheques and money orders may be forw bank or local committee or sent direct Treasurer, Save the Children Fund,

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G. D. GORDON, Hon. Tres.,

Hon. President: HON. W. L. MACKENZIE
Hon. Vice-Presidents: RT. HON. ARTHUR
HON. RODOLPHE

ONEY BANKING AND EXCHANGE

ND LOSSES OF 686,059 IN BANK WITHIN TWO DAYS

ernment Official Dispels ists Enveloping Merchants Bank Trial

From Our Own Correspondent

NTREAL.—The preliminary of D. C. Macarow, former gener- nager of the Merchants Bank, d with wilfully making false , took on a new complexion eek when the evidence of G. A. ds, a chartered accountant, bmitted.

previous testimony, extending everal long days, did little more o create a maze in which the ssion was emphasized on be- of the defense of the utter help- ness of the head office officials n the returns of three hundred fifty branches were poured down them; what chance had they to tangle the mass of documentary ce if weeks, instead of days, allowed for makng up the ly government returns?

wever there came upon the scene cial chartered accountant and nced that in two days' e and another official em- y the government had dis- ses almost equalling $10,- is began the real evidence

ce runs thus:

of Minister of Finance

mined by C. A. Wilson, K.C.

n: "Were you asked to ex- statement of the Merchants of Canada, that is, the return for nth of October, 1921, to the Min- of Finance and the Receiver-Gen- "Yes."

Wilson: "By whom?"

ness: "By the Minister of Fin-

Wilson: "Did you proceed with r work?" "Yes."

Witness: "I went to the head office of Merchants Bank of Canada, went r the books and the statement, and ted the October, 1921 return to the nister of Finance, and as a result I ."

Loss of $9,686,059

Edwards here referred to a pile ments before him. He continu- re were produced to me Bad btful Debt Statements which date of September 30, 1921. I rmed that there was no compila-

n: "What is the item?"

"I tested it with the state- ber 31."

me: "What item?"

The item in the statement ne of investigation had e No. 16—Other Current ounts in Canada and to e Debts. The summary f these branch reports llowing results:

eported

....	$20,732,068.16
dered good..	11,046,008.80
s	$9,686,059.36

res were compiled from he branch managers as 1921.

ith the nature of returns vidual branches the account-

Allowance for Losses

ance is made in the return 31 for any losses upon cur- I examined a number of branches where the man- iven a classification of the r the purposes of discover- r overdue debts were really y the managers as current An examination of four tisfied me that very large f dead business was being re- a current business. The branch- amined—shall I give the branch-

Lflamme: "Sure."

Victoria

: "I examined the branch at B.C., and took out a list of 22 the total of which as report- bad and doubtful returns of 0 was $650,046. By refer- corresponding return of ound that all these ac- ll upon the books current loans (not 3,439 .... turn of March 31, he corresponding and I found the ically unchang- the correspond- 1919 and I ts were there,

are report-

rrent loans is not the are over- nse. I ex- Moose Jaw t branch. egate of .731. In $107,847. his same rch 1919 s cur-

e Cal- four ,454; In 49,- rst 921 the

Davidson account, etc. I saw an account in the record of the bank of April 29 whereby the bank released all its claims against these accounts. So that they are carried as current loans on October 31 on the books of the Montreal branch."

Then came evidence as to the transfer of business to the Merchants Realty Co.

Premises Transferred

Mr. Wilson:"It means this, that in the month of January, 1920, the Merchants Bank of Canada sold all its property to the Merchants Realty Corporation for $2,000,000. After that, in the month of December, 1920, the Merchants Realty Corporation issued bonds to the amount of $4,000,000, for which the property was mortgaged. Out of those $4,000,000, $3,009,668.75 were sold to the public by the Merchants Realty Co. and the money was paid over to the Merchants Bank of Canada."—"Yes."

Another Subsidiary

Witness: "The Merchants Bank had another subsidiary corporation, the Land Securities Corporation, with a paid up capital stock of $200,000, entirely owned by the Bank. The $200,000 which formed the basis of this corporation was effected by a transfer of real estate, land agreements, and mortgages which had fallen to the Bank on account of debts which could not have otherwise been collected, and by the original transaction the $200,000 was converted into an investment included in the category of stock which, on its merits, was Western real estate which had come into the Bank's hands as collateral.

"Subsequently, another transaction of the same character took place whereby $467,000 valuation of such land, land agreements and mortgages was turned over to the Land Securities Corporation, and an advance made by the bank to the Corporation to enable the Corporation to pay the Bank for it. The effect of that transaction is to convert from Real Estate and Mortgages that part sold by the Bank and to reduce that item, and to enable the Bank to show the $467,000 item as Current Loans, which is a much more favorable category.

Bankers' Trust

"I found that the Merchants Bank had still another subsidiary corporation known as the Bankers' Trust Company, the capital stock of which was owned solely by the Bank, and that the Bank advanced to this company $528,800 to enable this company in turn to purchase 3,305 shares of the Bank's own stock at a price of $100 per share, and this amount is shown on the books of the Bank as Currernt Loans."

Mr. Wilson: "When it should be what?"

Witness: "I do not think it should be on either side. The Bank's capital should be reduced by $330,500 and the Reserve Fund by the balance and this item of Current Loans should be taken out altogether."

Fictitious Increase

Witness: "The effect of it is to fictitiously increase the capital and reserve."

Witnes finally estimated the valuation of bank's premises exaggerated by over $2,400,000, as follows:

Witness: "The total value of bank premises, furniture and fittings whether held by the bank or by the Merchants Realty Corporation is shown by the return of October 31 as $9,823,000. That is increased I consider improperly by this $1,199,000 transaction so that the figure should be $8,600,000. Against that there is the encumbrance represented by outstanding bonds of $3,064,000 so that the value of the equity in the bank premises is some $5,500,000, not giving exact figures. I will prepare a statement showing that exactly if you wish."

Exaggerated By $2,407,000

Mr. Wilson: "Yes, but that would suppose that the bank is still the owner of the premises. But when these properties were sold to the Merchants Realty they were no more the property of the Merchants Bank of Canada. Now what I want to know from you is, what is the amount that should be written as bank premises at no more than cost in the month of October, 1921? Real bank premises, that were occupied, not those on which they had a claim or a mortgage, because it would appear that pretty nearly all their premises were sold, starting from the head office on St. Peter and St. James streets."

Witness: "I understand your question now. The amount held was $2,136,000, in lieu of $4,623,000 so that this amount of bank premises would be exaggerated to the amount of $2,407,000."

HOW AMALGAMATION AFFECTED TWO BANKS

From Our Own Correspondent

MONTREAL.—A comparison of the "amalgamated" returns of the Bank of Montreal and the Merchants Bank as found in the returns for the month of March indicates in some interesting features, how the absorption has been effected. The capital of the Bank of Montreal was $22,000,000 with a similar Rest Account in February; the merger resulted in one half the $10,500,000 of unimpaired capital of the Merchants going to each; increasing capital to $27,250,000 and Rest to a similar amount. This carried out the "two shares for one" idea.

Deposits of both combined in Februrary were $409,6g0,000; the March return indicates that practically all were retained in the merger, the total being actually increased to $419,404,000.

"Overdue debts" of the Merchants seem to have been wiped out to the extent of $1,080,000, either by drawing in profits or by wiping out most of the remaining "reserve" fund of the Merchants. At all events the Bank of Montreal in February had $579,000 in overdue debts and the merchants $2,868,000, a total of $3,447,000, while in March the total was reduced to $2,367,000.

In bank premises Bank of Montreal stood at $5,500,000 and Merchants at $6,550,000, a total of $12,050,000. These had been cut down to $10,750,000 in March.

EXPECT CANADIAN FUNDS TO REMAIN FIRM BELOW 4 P.C.

Prospect of Further Dominion Financing Tends to Keep Rate Low

After the record high point on the recovery of the Canadian dollar experienced a week ago, the discount rate firmed slightly during the past few days and remained fairly steady around 1½ per cent. This small reaction was to be expected after the recent financing of the Dominion government in the New York market.

The rise in value of Canadian funds during the past 15 months is due to several factors. Prominent among these is the influence of the pound sterling. The steady improvement in the latter cannot but have a favorable effect, with the resultant increased British buying of Canadian goods. Another factor which undoubtedly has an important influence in the same direction, is the expectation of further financing on the part of the federal government, to be carried out in the near future. No matter whether the loan of approximately $184,000,000 is placed at home, in London or on the New York market, it will have a favorable infleunce.

Then of course, the improvement in the trade balance must be considered. We had an unfavorable trade balance of over $7,000;000 for the eleven months ending February, 1921. The eleven months ending February, 1922, however, showed a favorable balance of over $24,000,000. Again imports from the United States during March were valued at $45,000,000, as against $49,000,000 for the same month in 1921, while exports were valued at $26,000,000 as compared with $31,000,000.

The political and economic results of the Genoa Conference have been more favorable during the week. The differences between the major powers which seriously threatened to break up the whole conference on numerous occasions have been supplanted by a measure of confidence. As a result Sterling has remained comparatively steady about 4.42½.

Among the other factors, has been the improvement of the British trade balance. Another reason is the gradual re-adjustment arising out of the fact that Sterling was out of line with its purchasing power, jointly caused by the slight rise in prices in the United States and with the fall of British prices.

Among the other continental exchanges, the mark has been the slowest to respond to the general improvement of rates. This is due to the very unfavorable financial position of Germany today and no doubt the heavy liquidation of part of the world's speculative holdings of marks, has contributed to the decline. Francs 10.80 during the week.

NEW YORK FUNDS

April 27.—Funds opening quotation was 1⅝, closing higher at 1 19-32.

April 28.—Fluctuated within narrow range of 1 17-32 and 1½.

April 29.—Ranged from low of 1 7-16 to 1½.

May 1.—Touched a high of 1 9-16, closing at 1 17-32.

May 2.—Funds moved to a high of 1 11-16 and closed at 1 21-32.

May 3.—Funds moved within narrow margin, down 1-16, closing 1 11-16.

STERLING AND FRANCS

	Dem.	Cables	Dem.	Cables
April 27...	$4.42⅜	4.42⅛	10.84	10.86
April 28...	4.41⅞	4.42⅝	10.87	10.89
April 29...	4.42½	4.43¼	10.92	10.94
May 1.....	4.42⅝	4.43⅜	10.86	10.88
May 2.....	4.43⅛	4.43⅞	10.85	10.87
May 3.....	4.43¾	4.44½	10.96	10.98

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	April 27, 1922.	Change	%
Toronto	$109,876,735	+$ 18,370,198	20.0
Montreal .. .	106,750,978	+ 1,201,347	1.1
Ottawa	6,850,979	+ 558,682	8.8
Hamilton .. .	5,683,599	— 325,410	5.4
Quebec	4,625,438	— 1,410,695	23.3
Windsor	4,107,344	+ 894,129	27.8
London	2,909,956	— 213,079	6.8
Halifax	2,787,581	— 432,952	13.4
St. John	2,778,579	+ 83,719	3.1
Kitchener .. .	1,095,446	+ 158,217	16.8
Moncton	1,028,389	— 119,381	10.4
Brantford . ..	937,982	— 174,209	15.6
Sherbrooke . .	835,685	— 373,181	30.8
Peterboro' . .	757,973	— 127,084	14.3
Total East .	$251,026,664	+$ 15,687,607	6.6
Kingston .' ..	633,111		

WESTERN CITIES

	April 27, 1922.	Change	%
Winnipeg . .	$ 42,842,511	—$ 6,613,268	13.3
Vancouver . .	13,381,549	— 2,537,910	15.9
Calgary . ..	5,134,036	— 1,135,537	18.1
Edmonton . .	3,930,549	— 907,206	18.7
Regina	3,194,237	— 267,318	7.7
Victoria . ..	1,882,905	— 119,206	5.9
Saskatoon . .	1,638,536	— 53,734	3.1
Moose Jaw . .	1,107,497	— 84,944	7.1
Ft. Wiliam . .	656,829	— 183,162	21.8
N. Westminster	518,873	— 72,114	12.2
Brandon . ..	498,675	— 82,179	14.0
Lethbridge . .	457,055	— 151,742	24.9
Pr. Albert ..	329,246	+ 51,637	18.6
Medicine Hat .	327,740	— 35,593	9.5
Total West	$ 75,900,238	—$ 12,192,276	13.8
Grand Total .	$326,926,238	+$ 3,495,331	1.0
Yr. to date .	$3,762,186,372	—$388,018,477	9.3

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	April 1922.	Change	%
Montreal	$398,976,904	—$ 92,672,371	18.8
Toronto	380,338,225	— 53,598,361	12.3
Ottawa	29,416,586	— 4,862,820	14.1
Hamilton .. .	21,928,803	— 4,981,084	18.5
Windsor	13,677,515	— 730,379	5.0
London	11,504,160	— 3,988,510	25.7
Halifax	12,227,984	— 5,103,648	29.4
St. John	10,723,284	— 1,575,226	12.8
Moncton	4,912,223	— 33,598	.6
Brantford	4,437,545	— 990,901	18.2
Kitchener .. .	4,209,807	— 149,619	3.4
Sherbrooke ..	3,280,652	— 1,878,108	36.4
Peterboro, ..	3,033,207	— 1,168,616	27.8
Total East	$898,666,805	—$171,533,005	16.0
Kingston	2,629,187		

WESTERN CITIES

	April, 1922.	Change	%
Winipeg	$159,054,750	—$ 47,341,960	22.9
Vancouver ...	51,795,883	— 11,330,424	17.9
Calgary	20,127,932	— 8,679,681	30.1
Edmonton ..	17,541,617	— 3,320,566	15.9
Regina	12,613,358	— 3,164,344	20.0
Victoria	7,795,609	— 2,785,375	26.3
Saskatoon . ..	6,361,234	— 1,534,126	19.4
Moose Jaw ..	4,394,223	— 1,283,094	22.6
Ft. William ..	2,515,393	— 919,539	26.7
Brandon	2,250,965	— 678,972	24.2
Lethbridge ..	2,106,129	— 622,472	22.8
N. Westminster	2,011,310	— 566,850	21.9
Pr. Albert ..	1,349,026	— 176,692	11.5
Medicine Hat .	1,161,572	— 603,754	34.2
Total West .	$291,079,001	—$ 83,007,849	22.1
Grand Total	$1,189,745,806	—$254,540,854	17.6

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Lincoln Bldg., Buffalo, N.Y.
Canadian Executive Offices:
Royal Bank Bldg., Toronto, Canada

GRAND TRUNK EARNINGS

Earnings of the Grand Trunk Railway for the period ending April 30, amounting to $2,035,614, compare with $2,241,310 for the corresponding period in 1921, a decrease of $205,696 or 9.1 per cent.

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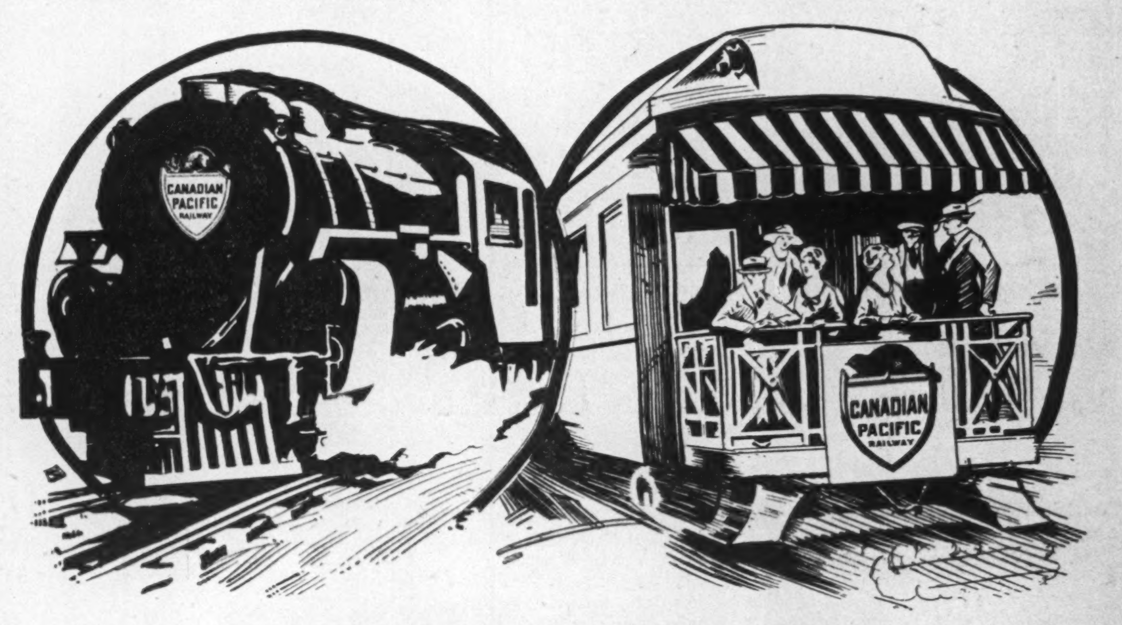

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NEWS AND VIEWS FOR MANAGERS

LIABILITIES ARE IMPORTANT THING TO BANK MANAGER

They Must be Considered in Their Relation to the Assets

The handling of the mercantile account will always be one of the live problems of the branch bank manager. "Keep your eye on the capital as a keynote of the concern's position," is the advice of the branch manager of many years' experience who has continued the following article.—J. W. T.

The granting of credit whether bank or mercantile depends on definite information as to the means, standing and progress of the party asking it. Mercantile credit differs from banking credit in some important details, the chief being that it is not so permanent, and the amounts usually involved are not individually so large. Suppose a wholesaler supplying a retailer finds him becoming slow pay all he has to do in most cases if he thinks his customer is going behind is to refuse to sell more goods until the account is brought into line. This may be annoying to the customer but it will not necessarily damage his credit as he can buy elsewhere. With the bank it is different. If a customer's credit is suddenly curtailed his financial standing is bound to suffer more or less as it is not easy to arrange accommodation elsewhere on short notice and for this reason before a bank commits itself to the granting of a line of credit a thorough investigation is necessary.

There is another point of difference between bank credit and mercantile credit in regard to the margin of profit. The merchandising profit—gross—may range from 30 to 50 per cent. while the bank's gross return on advances from 6 to 8 per cent. and the same risk cannot be run with the lower rate of profit. There is a certain risk in all business and while a bank is expected to accept the ordinary risk incidental to its business, what would be a reasonable risk with a gross profit of 30 per cent. or more would be insanity with a gross return of a quarter or less of that percentage. The evidence of a man's financial standing rests on his statement of assets and liabilities but unless this statement will stand close analysis it is merely a collection of figures and not a basis of credit. In the usual comments on a statement the assets are made the basis of discussion but this practice does not give the best results. It is not what a man has but what he is doing with it that counts. For this reason the basis of analysis of a statement should be the liabilities, as a man's financial worth consists in what he will have left after his liabilities have been paid.

Keep Eye on Capital

The dealer starts with a certain amount of capital, and if, in the ordinary course of business, after paying for the goods and allowing for the various contingencies, he is able to add to his capital he is making money. If in order to pay for the goods and make the necessary allowances his capital is reduced he is losing money. This of course may be only temporary but it is when this occurs that the most searching analysis is necessary in order to make sure that all the liabilities are shown and all the various expenses provided for.

In practice, whenever a statement is capable of several interpretations it is always the part of wisdom to take the most satisfactory showing as the correct one. Mark Twain once said that his neighbor was one of the finest man he had ever met and he had the most perfect trust in him, but he always piled wood in his yard on the side farthest away from his neighbor's house; not that he lacked confidence in his neighbor but because he wanted to save the wood.

A dealer must sell goods at a price higher than he pays for them, but there is a limit to the additional amount he can charge. If it is too high people will not buy, so that the price may be fixed low enough to attract purchasers, and the amount required by the dealer must be made up by increasing the amount of his sales-turnover. To have turnover it is necessary that one must buy supplies of goods proportionate to the volume of sales, and to be able to buy freely one must be able to pay for the goods as agreed. This means that the dealer must collect the amounts owing from his customers. He cannot buy on short date, say 30 days, sell the goods and give his customers three, four or six months to pay unless the prices he receives yield exorbitant profits. He buys to sell again, but unless his customers pay he cannot pay the men who supply him. They will not supply new goods until the old ones are paid for; this will stop his turnover and this in turn will reduce his profits, quite possibly to such an extent that they fall short of meeting his business expenses.

Whether his turnover is sufficient will be shown in the trading and profit and loss statement, not in the statement of assets and liabilities, and for this reason the latter statement is of little use without the former. From this will be taken the amount of stock on hand at the beginning and end of the period under review, and also the purchases and sales. In this connection it must be remembered that the stock is listed and inventoried at that time of the year when business is most quiet, and may, therefore, give a false impression of the volume of turnover. A dealer showing $10,000 stock on hand at the slackest season of the year will in all probability have at certain seasons twice that, and the ratio of his turnover to the stock carried should be based not on the stock at the end of the year, but on his average stock. The same thing applies to his receivables. If he is selling to good paying customers on the usual business terms, say 30 days, the amount of his book accounts and bills receivable whether held for collection or under discount at the bank, should not exceed the total of six weeks or two month's sales. If he is granting more than a reasonable number of renewals this will be reflected in the increasing amount of his receivables as compared with his monthly sales.

The ratio bteween average stock carried and volume of sales will vary with different classes of business, and the ratio between receivables and sales will vary according to the selling terms, but the main point to be remembered in regard to both is that in merchandising a profit is not really earned until the goods have been sold and paid for in money. Goods on the shelves will produce no profit until sold and book accounts and bills receivable do not pay debts until the makers of these bills pay them in full.

Good for Customer

Banks require statements from customers primarily of course for their own protection, but at the same time it is for the customer's benefit that it forces him to get down to facts at least once a year. The bank's interest is in obtaining evithat its customer is improving his his position, as unless the customer is making money the bank cannot prosper and in this their interests are inseparably bound together.

In its business transactions the bank is not primarily a dealer in money but in credit. It uses money in its business but merely as a measure of value and a medium of exchange, nothing more. The bank buys credit when it takes in deposits and sells it when it makes advances or discounts trade paper. Credit is a commodity and the bank deals in it just as a grocer deals in butter and eggs, he buys at wholesale and sells at retail and the same principles of merchandising govern both bank and grocer.

There must be turnover, and this of necessity means constant new transactions. A loan which is received from time to time does not give this turnover. In the purchase of credit the bank has entered into certain contracts. It has agreed to account on demand for any or all of the sum deposited, and in order to do this it is necessary that its sales of credit—its loans—be made to men who can be depended on to repay as agreed. The contracts involved in these loans must be as clearly defined as those the bank makes with its depositors. It must be satisfied that its customers will be able as well as willing to repay.

Our "Lawful Money"

By A. B. BARKER.

In contracts ca
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money which parl
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Bronze coins up to twent

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DOMINION

The Dominion Bank announces the opening of a branch at the corner of Dundas Street West and Runnymede Road, Toronto, to be known as Dundas Street and Runnymede Road branch.

PROVINCIAL

George Campeau, former manager of the Wyandotte Street, Windsor, branch of the Provincial bank, has been appointed manager of the London Street branch of the bank at that point.

ENGLISH DEPOSIT RATE

The London, England, branch of the Dominion Bank advises a reduction in the Bankers' deposit rate of one-half per cent., making the interest rate allowed two per cent.

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City of Montreal	4½	Sept. '53	5.40
Toronto Power Co.	5	July '24	6¾
Manitoba Power Co.	7	Nov. '41	7
Tooke Bros., Limited	7	Apr. '42	7¼
Howard Smith Paper Mills Limited	7	Jan. '41	7½

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 5, 1922

SIR CHARLES GORDON AND GENOA

HE GLEANER, Fredericton, N.B., takes a more intelligent view of the Genoa Conference than most anadian papers have yet shown. It pays a compliment to Canada's representative and says that Sir Charles Gordon's report of the proceedings is certain to a very valuable paper irrespective of whether the onference accomplishes much or should it fail altogether; that his report will be of much usefulness in connection with the extension of Canada's foreign trade.

Practical men will take the same view as the Gleaner but Sir George Perley, late High Commissioner, thinks we make a mistake in sending strangers to these conferences. He thinks it is in our best interests to have politicians like Sir Robert Borden and others who attended Imperial and Allied conferences during and since the war because of the experience they have had. Practical men will hardly agree with Sir George in view of the records. Germany and Russia have been "putting it all over" the Allies before and since the armistice. The German-Russian policy is directed by the keenest business men and financiers who understand situations, ...ile the Allies' affairs have been in the hands of pro...onal politicians. The Genoa Conference is an at... by some of these politicians to save their reputa... and bring their policies into line with those indi... by the German-Russian financiers.

...ada should not have succumbed to Lloyd George's ...nda to help his political schemes; but having ... we selected a much more useful representative ... wily, clever salesman-manufacturer-financier ... than the ponderous Borden would have been, ...e information resulting from an exchange of in...tion and views should be most useful to Canada, ...ed of course, that the government continues to ...dvantage of Sir Charles' services. He undoubted...es the job and the country will be fortunate if we ...ue to employ his services and the services of ... experienced men of his type in dealing with our ...siness problems.

HON. MR. LARKIN SHOULD NOT BE CURBED

AULT IS being found with Hon. P. C. Larkin for ...rankly telling some British Ministers that their re... to remove the embargo from Canadian cattle; their ...usal to keep the promise so solemnly made in the trying ... days of 1917 that the embargo would be removed; ... their very dishonest trick of falsely and maliciously ...rging that an infectious disease prevails among Cana...n cattle, would encourage those who advocate union ... the United States.

Why should public men be expected to continually play ... hypocrite? There are many people in Canada who be...ve in closer relations with the United States; and a ...er group who believe—and there are a number of ...

If Hon. Mr. Larkin were an ordinary citizen or small politician there would be good reason to direct or curb him. But Mr. Larkin has a forty-year marvellously successful record in Canada and an unusual experience in understanding Canadian opinion, vastly superior to that of the politicians and editors, who express amazement at his frankness, who want him to be a phonograph, machine or rubber stamp for British sectional interests. Canadians generally object to curbing Mr. Larkin—have more confidence in Mr. Larkin than in the politicians curbing him. They want him to have a free hand in investigating conditions and forming conclusions that will forward Canadian and Imperial interests in his own way and by his own peculiar forceful, straight-forward methods—subject, of course, to the general policy of the Government—just as he developed his own great business.

In 1897 Canada gave British manufacturers a tariff preference, expecting reciprocal treatment. Some say we were promised it. But unfortunately Laurier, in a moment of unthinking generosity and Imperial enthusiasm—under false inspiration, it is said, at a luncheon in Liverpool, stunned Imperialists there and members of his own Cabinet here when he gave the impression that the preference was a free-will offering to the United Kingdom. He unwittingly set back Empire trade a generation. Canadians expect Mr. Larkin to devote his best energies to developing it.

WAS THERE A BREACH OF FAITH?

THE STATEMENT published in this issue from Wilfred A. Hobbins, president of Atlantic Sugar Refineries, dealing with the disastrous effects of Government control of the sugar industry in Canada, is a broad and valuable survey of one feature of Government interference with the free play of trade and commerce that should impress those who are so eager to rush into this as a remedy for any grievance they have against prices of merchandise.

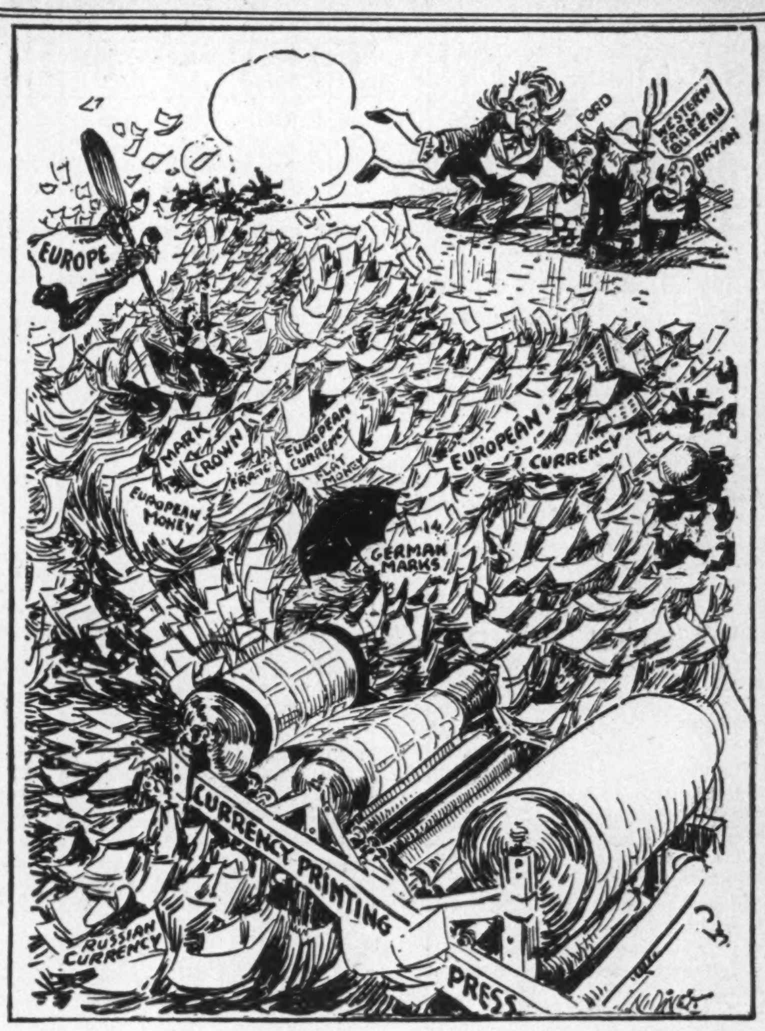
There is one point, however, that seems to need clearing up in the interests of the sugar refiners. It is stated by Mr. Hobbins that "the Canadian Trade Commission of the Department of Trade and Commerce retained its licensing power of permit both for import and export and nominated the quantities of refined sugar which each Canadian refiner should be required to place in the domestic market." At the time when the refiners were making an appeal to the Ottawa Government for release against the heavy losses they had sustained through the collapse of the raw sugar market which caught them with huge quantities of raws on hand, THE FINANCIAL POST suggested that the refiners themselves were to blame for the inadequate system that prevailed among them of determining the quantities of refined sugar that were distributed throughout the country and their ignorance either of the attitude of the public at large, as consumers of their product, or of the quantity which these had stored up utterly unknown to the sugar refiners.

Once and for all the point should be cleared up as to who was responsible for the estimates made of the quantity of sugar that the Canadian market would require during 1920-21. If these estimates were furnished the government by the refiners, and formed the basis, without extension, for the demands of the Commission, a certain portion at least, of responsibility must be shifted upon the refiners themselves, as in such case one might reasonably conclude that even without government control they would have stocked up heavily in raws at high figures to anticipate the normal demand that failed to be realized.

Once again, in this connection, we would suggest that the refiners follow the example of the organization among pulp and paper manufacturers in Canada who maintain a remarkably accurate record not only of manufacture but of distribution and stocks on hand in every branch of the industry.

One other point should be investigated by the present Government in justice to the sugar manufacturers. In referring to a dead loss of over $8,000,000 to his company through the slump in prices, Mr. Hobbins makes the following statement: "These losses are the direct result of a breach of faith upon the part of the government in declining to live up to the undertaking of the Board of Commerce to protect the refiners in a falling market."

The refiners' urgent appeal to the late government was rejected. We believe that if there was, as charged by Mr. Hobbins, a "breach of faith" on the part of the government, or a real "undertaking" of the Board of Commerce to protect the refiners on a falling market as they had limited their profits on a rising market, the present government would find ample support in the present House of Commons for any action in the way of relief that they might decide upon. In any event the Department of Trade and Commerce should make its ...



—Darling in the New York Tribune.

FOLKS WHO BELIEVE IN CHEAP MONEY SHOULD TAKE A GOOD LOOK

Shall We Inflate the Currency?

By H. MICHELL,
Professor of Political Economy in McMaster University.

At a time of rapidly falling prices, more especially of agricultural products, it is quite inevitable that the old question of raising prices by means of increasing amounts of money in circulation, should come up once more; those who know anything of the history of prices and currency were merely waiting for it to reappear, and they have not been disappointed. To-day we are watching Greenbackism, Populism and Free Silverism, refashioned to meet the taste of the present day but still essentially the same, beginning to stir from their slumber and preparing for another onslaught on the orthodox.

It will be worth while to examine the theory underlying the demand for "soft-money" and try to understand what is really involved therein.

In the first place a period of rapidly falling commodity prices always presses hardest upon the farmer, the prime producer. We have seen now during the last eighteen months prices of farm produce have been cut almost to the bone, while those of manufactured products have lagged far behind. This, of course, presses very hardly on the farmer, because he has to sell in a cheap market and buy in a dear. But although hard on the farmer it is inevitable since he, being the first in the long line that stretches from the producer of the raw product to the final consumer, meets the impact of falling prices before anyone else. In each stage of manufacture the resistance to a fall in price becomes greater, since more workmen are involved who are willing to receive less for their labor. Thus the price of wheat falls before that of flour, and the price of flour before that of bread; the producer of the primary article always feels the pinch first; which is very unhappy, since he is generally the one who can least resist it, but quite inevitable.

The Farmer Suffers

...important to understand ...se on it turns the ... of the agricultural ...armer argues, with ...at his products have ...t the manufacturers' ...urchasing power has ...f, but the prices of ...to buy have not; ...uffers an injustice ... remedied. While we ... his use of the term ...cannot disagree with ... suffering a great ...ything that can use... ...lished in mitigating ...hould, if possible, be ...ion is what?

...rices by Inflation

...is to raise prices by in... amount of currency in ... so that his purchasing ...be augmented. This is ...e considering, and we shall ...udy the question from two ...rst, will an increase of cur...se prices? And second, will ...e his purchasing power

...swer to the first question ...unqualifiedly in the affirma...t most certainly will. The ...eeds no argument; we merely ...o look around us to find it, ...or Austria will afford us proof ...e. The answer to the second ...n is no less emphatically in the ...ve; an increase of currency will ...rease his purchasing power. It ...n the contrary, diminish it, and that in a greater ratio than the increase of currency that it puts into his hands. This is very evident when we consider that the same resistance to falling prices that made the semi-finished and finished products fall more slowly than the primary products, will then work in the opposite way. All the different workmen who have contributed to the making of the finished product will at once in a period of rapidly rising prices due to inflation claim their due share, and the effect being cumulative, the price of the finished article will rise higher proportionately than the primary product. Clearly the case

Continued on page 14.

Small-Town Boy Again

The elevation of W. A. Eden to be President of Canadian Consolidated Rubber Co., in succession to C. B. Segar, who becomes chairman of the Board, brings one more small town man to the front—and brings him to the front at a very early age, for Mr. Eden is still under or just touching the forty mark.

W. A. Eden hails from Woodstock, Ont., where his father for years was Treasurer of the town, or city, as it became in 1901.

At the Woodstock Collegiate Institute where Mr. Eden, then commonly called "Bon," studied, he was known as a brilliant student but one who showed preference for hockey, in which he excelled and other games, rather than for persistent work. However, he could work to good effect even in those days, and two or three weeks before trying his Senior Leaving Examination went into the silence with his books. The results showed he had pulled down a scholarship. I. M. Levan, principal of the school, as good a school as existed then or exists now in Canada—along with the other teachers, were not surprised, though they were delighted.

A story attaches to Messrs. Levan, the principal, and Eden, the pupil, which is perhaps worth telling. Mr. Levan found some second hand chewing tobacco, and believing for some reason Eden might be responsible, accosted him:

"Eden, do you chew?"

"No, sir," replied Eden, "but I know where I can get you a chew."

From the Collegiate Mr. Eden went to the Imperial Bank, spending some years with it and joining the Canadian Consolidated Rubber Co. in Montreal some time about 1909. Mr. Eden did not start at the top, but worked his way up and at the time T. H. Rieder left the Canadian Consolidated Rubber Co. to become president of the Ames-Holden McCready Co., Mr. Eden was secretary, and was then elected to assume the position of vice-president in succession to Mr. Rieder.

Some months after this change was made a member of the Canadian Consolidated Rubber Co. had this comment to make: "Rieder," he said, "was a tremendous worker. Eden doesn't work so hard, but he gets things done." What he meant, of course, was that Mr. Eden delegates, chooses men who can do things and demands results.

It will be no surprise to the people of Woodstock that "Bon" Eden has moved another step forward. It will be a delight to them, however, for he was, and is, popular in his own home town as was his father before him.

PERSONALS

W. B. BOYD has been chosen as president of the newly organized Dominion Alloy Steel Corporation. Thus a Canadian becomes an active executive of this union of American and Canadian interests for the establishment of an alloy steel plant at Sarnia. Mr. Boyd was for many years electrical engineer of the Electrical Development Company, and the Toronto and Niagara Power Company. He is at present acting as engineer for the Toronto and York Radial Company. In the United States and Canada he has been consulting engineer on many projects and is a member of the Institution of Electrical Engineers, England.

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Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

BELL TELEPHONE

Reader, Fernie.—Would you consider the new issue of Bell Telephone a good investment of a few hundred dollars?

We consider that Bell Telephone is an attractive investment in the utility class and this opinion has recently been borne out by the actions of the stock market and the manner in which the new issue is being absorbed. As a class, however, public service securities must be approached with a certain amount of caution in view of the attitude of public opinion and the agitations for lower rates encouraged by public ownership enthusiasts which have in many cases seriously impaired profits.

PARTIAL PAYMENT PLAN

A. G., British Columbia.—I would appreciate names of reliable brokers who sell stocks and shares on the partial payment plan.

We understand that practically all of the reliable investment houses are willing to consider partial payment accounts for their customers, although not all of them favor this plan of investment. Among the concerns which have announced that they specialize in the partial payment plan are Greenshields & Company, Montreal; Banker Bond Corporation, Toronto, and G. A. Stimson & Company, Toronto.

ARGONAUT MINE

Bedford, Que.—I would very much appreciate to have your opinion of the developments and prospects of the Argonaut Gold Mine. Would you consider it a good investment to purchase shares at the present market price, namely, 62?

The Argonaut Mine is situated near Beaverhouse Lake, north of Lake Temiskaming, and close to the Quebec boundary. This mine was discovered by some French priests but they were handicapped by lack of capital to develop the mine. Their interests were taken over by J. H. Rainville, former speaker of the House of Commons, and some of his friends. Under their direction some excellent veins have been uncovered and the directors have decided to erect a 150 ton mill shortly. The new mill will permit of an extensive production but the building was deferred until the ore turned out was sufficiently promising. We are of the opinion that this is a very fair mining speculative proposition. The latest quotation on the Toronto Exchange for this stock was 58.

BROTHERHOOD HOLDING CO.

H. W., Victoria.—Would you consider that an investment in the Brotherhood Holding Company of $1,000 was a safe one? This concern, we understand, is an auxiliary of the Brotherhood of Locomotive Engineers Co-Operative National Bank of Cleveland.

We understand that the Brotherhood of Locomotive Engineers Co-operative National Bank of Cleveland, was organized on a sound basis. However, it must be regarded as an experiment in the field of finance and for this reason speculative in a measure at least. Experience generally has taught that it is a doubtful proposition for social or fraternal organizations to enter into the field of business or finance unless they propose to give other benefits than financial profits in return for funds invested or dues paid. The principle is sound; the practice somewhat doubtful.

These are, you will note, general observations. We are not in a position to advise in detail regarding investments in the United States, nor do we see much advantage to Canadians in seeking investments there when there are so many opportunities at home.

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Investing $10,000 Proceeds of an Endowment Insurance Policy

Two weeks ago THE FINANCIAL POST printed on this page a number of investment suggestions as supplied for the benefit of a reader with $10,000 to invest. Since then another inquiry has been received regarding the investment of a similar sum—$10,000, coming due from an endowment policy; the inquirer is a Nova Scotia doctor. The following are among replies which have been received from a number of leading investment houses in response to a communication from which we quote in part:

> He asks further whether we would suggest any other better buys at the present market. His $10,000 insurance has been saved from hard work during 20 years and he wants to put in something pretty safe and easily convertible but would consider utility stocks where there is reasonable security and a chance to appreciate. He also asks advice regarding the stocks he is holding, including, Brazilian 20 shares; C.P.R., 20 shares; Shawinigan 20 shares; Montreal Power 25 shares; Laurentide 50 shares; Merchants Bank 6 shares; Ottawa Light, Heat and Power 20 shares, in addition to $21.000 of Victory bonds.

L. M. GREEN & CO., TORONTO.—In regard to the stocks which inquirer is thinking of purchasing, we would consider these reasonably safe investments, and the present dividends will in all probability be maintained; but, considering his present holdings, we find he has not any industrial, public utility, or municipal bonds which would be graded in a class that would come between the stocks he has now and his Victory Bonds.

We would, therefore, like to suggest that in investing the $10,000 which is coming in, he would purchase 25 shares of Bell Telephone stock, and the balance he could invest in public utility bonds such as the new issue of Nova Scotia Tramways and Power Co., 7 per cent. bonds, at 97½, and the Wayagamack Pulp & Paper Co. 6 per cent. first mortgage bonds at 77½ and the Howard Smith Paper Mills, Ltd., 7 per cent. First Refunding Mortgage Sinking Fund Bonds at 95. We would advise him to hold the present stocks he has and buy sufficient Bank of Montreal stock to increase his amount to an even 10 shares. If any of his Victory bonds are short term, we consider it would be good policy for him to sell them now and invest in longer term bonds such as the new issue of City of Edmonton 30-year 5½ per cent. Gold Bonds at 96.45, to yield 5¾ per cent.

> He is thinking of buying 40 shares of Bell Telephone; 25 shares Montreal Tramways, and also has in mind Steel of Canada common, also Bank of Montreal and Royal Bank. He asks our opinion of these securities and whether they are reasonably safe investments, also whether dividends are pretty certain to be maintained.

DOMINION SECURITIES CORPORATION, TORONTO.—You state that the $10,000 to be invested represents twenty years of saving and your reader would like it invested in something readily convertible and absolutely safe.

In view of your reader's present holdings in common stock in proportion to total capital, we would recommend the purchase of long term provincial obligations or bonds of the larger Canadian cities. Such conservative investments constitute the safest of reserves, applicable alike to the individual as well as the institution. We believe the $10,000 invested in this way would improve and diversify the above list of investments and also provide at present market prices, a good return on the money invested.

BURNETT & COMPANY, MONTREAL.—We consider Bell Telephone Montreal Tramways and Bank of Montreal sound investments at present prices with dividends pretty certain to be maintained. Steel Company of Canada is, of course, more speculative, as indicated by its present yield of about 10 per cent.

Referring to your inquirer's further question as to any better buys for investment purposes at the present market, we might suggest Montreal Power and Shawinigan as stocks with a good chance of appreciation and reasonably safe dividends. He might also consider Montreal Tramways Debentures and Quebec Railway Bonds; the former at 72 yields 6.94 per cent., and at present prices the yield on the latter to maturity is about 8.50 per cent.

Taking his six shares of Merchants Bank as three shares Bank of Montreal, we think very well of the chances of appreciation of the entire list of his holdings. Whether he would be wise to dispose of any of them at present would of course, depend upon his personal circumstances and the price at which he bought them. If he bought at higher prices we should not advise taking a loss on any of them just now.

McCUAIG BROS. & COMPANY, MONTREAL.—With reference to the stocks which the gentleman in question is thinking of buying, we approve of Bell Telephone, Montreal Tramways, Bank of Montreal and Royal Bank.

Steel of Canada is a stock which we think highly of as in our opinion no industrial management in Canada passed through the war period and subsequent boom and collapse in a more creditable manner. The fact remains, however, that the dividend is not absolutely sure.

In regards to the stocks which he is holding, we believe that he made a very good selection. However, we think that it will pay him to sell his Laurentide which at 88 gives a return of only 6.81 per cent., and purchase instead an additional amount of Bell Telephone which at 108¾ per cent. returns over 7.33 per cent. We favor the exchange both from the standpoint of security and early enhancement in value.

J. A. MacKAY & CO., LIMITED, MONTREAL.—The securities held by your inquirer are very good indeed. Evidently he is partial to power securities and we think his choice has been wisely made.

You state he holds 6 shares of Merchants Bank, but as you are aware this stock has been exchanged for stock in Bank of Montreal. We mention this so that he can make the exchange. The securities he is thinking of buying are good, although we are not inclined to Montreal Tramways, and Steel of Canada Common cannot be considered as an investment in the present instance.

We think he could not do better than buy Montreal Power. Of course, it had an advance from 70 to 90 within a year, which reduces the rate yield.

If the several utility stocks were purchased at higher than prevailing prices, we think that he could not do better than purchase additional quantities of the same. It is difficult to improve on his present holdings, although we could suggest several good Industrial Bonds to yield 7½ per cent., but they could not be sold quickly if your inquirer wished to do so.

D. J. McDOUGALD & COMPANY, TORONTO.—As this $10,000 is life insurance money, we would suggest that the doctor take out another $10,000 life insurance, and with the endowment money purchase bonds of the different provinces of Canada or the larger cities, and use the income from the bonds to pay the premium on his new insurance. By doing this he would increase the value of his estate by $10,000.

As you state the $10,000 insurance has been saved from hard work during twenty years, we do not think that this portion of his estate should be invested in securities which have not a due date. While the securities he is thinking of buying may advance in price, yet at the same time there is always the possibility, should circumstances force him to realize on his investment in such securities, of his receiving considerably less than he paid for them.

HOUSSER, WOOD & COMPANY, TORONTO.—In looking over the list of stocks which your inquirer holds, while a great many of them are common shares, and subject to stock market fluctuations, they are all of a calibre which we believe have considerable merit, being for the most part shares in old companies having established earning power, and while we do not recommend stocks for investment except where specially desired, we feel that in view of the fact of their being backed up by substantial holdings of Victory Bonds should give them an appearance of what might be termed a "business-man's investment."

So far as the securities which he is considering buying, such as Bell Telephone and Montreal Tramways—the first mentioned has always been considered an investment security, though the latter stock is to our minds speculative though one which we believe will show appreciation under stock market conditions as they exist to-day.

Your client appears to desire what might be termed speculative investment or prefers to purchase seasoned stocks which have possibilities of appreciation over a reasonable period of time; in other words he appears to be anxious to purchase something which will show him a profit on capital account, whereas the out and out investor looks only at the security and interest return, and figures on placing his money safely at a fixed rate of interest over a term of years. The latter type is not affected by the rise and fall in market quotations so long as his principal is secure and his income assured. For this class of investor there is really only one type of security, namely Government and Municipal Bonds, and high-grade corporation bonds, which form the basis of real investment. Under present conditions however, even this type of investment lends to the possibility of appreciation in principal over the next few years.

C. MEREDITH & CO., MONTREAL.—Inasmuch as the funds referred to are the proceeds of an endowment policy, we feel that your correspondent could not do better than to increase his holdings of Victory Loan. The stocks which he holds appear to us a very reasonable selection

CURRENT OPINION

NEED FOR HARMONY

Moose Jaw Evening News.

Very often it has been pointed out by the editorial writers in Canadian newspapers that the Canadian Manufacturers' Association was lacking in judgment in the official attitude taken towards the public and other associations. The C.M.A. believes that it is necessary not only to Canadian industry but to Canada as a nation. Other associations and organizations are believed by their members to be just as necessary for the good of the Dominion as the C.M.A. But, instead of harmony there is discord, due largely to the attitude on many occasions of the executives of the manufacturers' body.

OUR FINANCIAL PLIGHT

Farm and Ranch Review

It is, however, no use mincing matters. What this country needs today is sweeping economies in our public expenditure. Not trifling reform, confined to firing a few clerks. What we must do is to subject each individual public service to the severest scrutiny and retaining only such services as are absolutely indispensable. This is far more important than taxation reform. We need less service and less taxation and not more service and increased taxes. We ran behind three and a half million dollars last year. What would a private corporation do under such circumstances? It would either retrench or go bankrupt. Our public debt increased seventeen million dollars in one year. The fact that we have 166 million dollars of assets is small comfort. They are not realizable assets. Who wants to buy a cheerful lunatic asylum? There are, of course, very distinct limits to taxation, and there is every indication that we have about reached the limit, if we are to appeal successfully to further agricultural immigration, which we need to distribute the present burden of indebtedness over a greater population.

TAXING MONEY INTO HIDING

Fort William Times-Journal

Make the rich pay all the taxes, is one of the popular cries of the day. The theory listens well. The fact, however, is beginning to be realized that supertaxation of capital will have the effect of making the world considerably poorer and less able to stand up under the burden of taxation than it is even today.

Collier's Weekly uses the case of the late Jacob H. Schiff, banker, as an instance of money being forced out of productive channels into channels where it does not serve the purpose of encouraging industry. He left an estate valued at nearly $35,000,000. The net taxable income from the whole of it worked out at scarcely 1½ per cent. per year. The bulk of his estate was in tax-exempt bonds because the surtaxes on other investments would have left him a lower rate of return than did the bonds. Schiff was a business man. Tax schedules did not tax him but only forced his money out of business uses into governmental uses. He had to invest his money not with those who build up industry, but with those who spend the proceeds of state, city and national bond issues.

It might, of course, be argued that the fault lies with the government which issues such investment securities as tax-free bonds, but we have only to look at the experience of all countries to see that this is a common resort when governments must have the funds.

Apart from some extraordinary cases, the rule is that when large fortunes are accumulated the bulk of the money is not, as some of the uplifters and muckrakers would have us believe, wasted on display and debauchery, but is employed in a useful manner for the purpose of keeping industry going, and the surest way to discourage industry is to arrange taxation so that the reward of industrial enterprise is reduced so low that capital cannot be persuaded to undertake the development of new and profitable business.

Too often of late years it has been the custom to treat the profits from industry as so much spoil for the government, whereas most of these profits will ultimately be the nucleus from which new industry will spring.

The whole system of taxation deserves the closest attention from economists, not from iconoclasts.

THE PUBLIC OWNERSHIP CRAZE

St. John Standard

To such a pitch has this anti-Power Company sentiment reached that a demand for civic distribution of the Musquash current has become a craze with many people, who will not tolerate for a moment any attempt to consider the merits of the proposal. The wish is father to the thought; the demand is for cheaper light and power, and these people have got the idea that any other source than the Power Company can of course supply it. They ask for no proof, they want no evidence to support their belief, they have been told by interested parties that they can get cheaper light and power under civic distribution and that is enough. They are prepared to rush headlong into the undertaking without giving any consideration to the cost.

We have, as we have several times before stated, no concern whatever with the future welfare or prospects of the N. B. Power Company, but it does seem to us to be the height of folly for the city to go to the cost and trouble of establishing a second distribution system when there is one already in existence and capable of doing all the work needed. The city has been told that the Musquash current can be delivered over the company's system for 6.22 cents, as against 6.58 under a civic system. If those who are so viciously opposing a trial of this scheme would just divest themselves of some of their personal malice against the Power Company, and try to give some unbiased consideration to the question whether the city could not make a more profitable bargain from its own standpoint by using the company's system than by installing its own, they might be doing the community a good turn. It will be too late when the expense has been incurred.

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The Bell Telephone Company of Canada

A Wonderful Record

Write to-day for a copy of the Financial Facts about Canada's greatest public utility—Bell Telephone.

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Information

Have you any stock or bonds regarding which you would like information? If so, do not hesitate to enquire. The correspondence department of Aemilius Jarvis & Co. Limited is always at your command and will advise you as to the disposal or retention of your securities. Quotations will be gladly furnished you on any of your holdings without the slightest obligation on your part.

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Ottawa Light, Heat & Power Co. 6½'s, Oct. 1, 1940
Ottawa Light, Heat & Power Co. 8's, Oct. 1, 1940
Bell Telephone Company of Canada 5's, April 1, 1925
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Flour Milling Shares Are Advancing

If you read the papers you will have seen that the Shares of Milling Companies have recently shown a steady advance.

The reason for this is the fact that the Flour Milling Industry has come through the greatest period of business depression without affecting its earning powers or reducing its dividend rates.

In the case of the Copeland Flour Mills, Limited, the business since the Mill commenced operations has exceeded all expectations. Orders are far ahead of the expected—the quality of the Flour is excellent and they are milling at a cost per barrel considerably under the original estimate.

All of which helps to make for good dividends on the Common Shares now being given away as a bonus to buyers of the 8% Preferred Shares.

And, Remember, the Maple Leaf Milling Common Shares which are now worth about $140 each were originally bonus Shares.

Our offering of Copeland Milling 8% Preferred Shares at the present price of $100 with 30% in Common Shares is now largely subscribed. We recommend you to buy soon if you wish to be certain of securing an allotment.

Write immediately for Prospectus.

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NEWS OF THE BOND MARKET

DIVERSIFICATION SHOULD BE SOUGHT IN INVESTMENTS

Makes for Safety, Higher Yield and Regularity of Income

What are the fundamental elements that should be sought in the best investment? Perhaps they have never been better expressed than Lawrence Chamberlain expressed them some years ago in his book on the "Principles of Bond Investment." He gave them as follows:

(1) Security of the principal.

(2) Stability (certainty and regularity of payments of interest or income.)

(3) The ratio of income to invested principal.

(4) Marketability, or the possibility of converting the principal into cash.

(5) The value of the investment as collateral with which to obtain a loan when cash is needed temporarily but when there is no desire to sell or "liquidate" the principal.

(6) Exemption of the investment and its income from tax.

(7) Exemption of the investment or its income from care (attention to details, oversight, etc.)

(8) Acceptable duration—that is, having a maturity of fixed realizable value in cash at a time when cash is likely to be wanted.

(9) Acceptable denomination—that is having the investment in such units of size as to meet most nearly the owner's needs.

(10) Possibility of appreciation—that is, a likelihood that the investment will be worth more when the cash for it is obtained than when the owner parted with his cash to obtain it.

Recently Mr. Chamberlain has added another fundamental to his list—one that is applicable to a list of investments rather than any particular security. It is diversification.

Enhances the Security

Diversification of investments enhances the security of the sum invested. If the total sum invested is divided into ten parts and each part invested in a single security the investor will not suffer an irreparable loss if one of his securities should lose it's value entirely. Less than two years' income on the remainder (assuming a yield of around 6 per cent.) would restore the loss.

Diversification makes possible a more regular income. Six months coupons are usual on bonds and where the investor is more or less dependent upon his investment income it makes it much more convenient to invest in securities returning interest at different dates. In other words by careful selection of the securities with regard to interest dates the interest coupons may be cashed in smaller amounts eight, ten or twelve times a year rather than in two lump sums one every six months.

Favors Higher Return

It is true too that diversification of investments favors a higher return of interest. The man who invests in a dozen different 8 per cent. securities may lose two or three of them entirely or lose a fraction of the principal sum of each and still be as far ahead at the end of, say, twenty years as the man who bought a single 5½ or 6 per cent. bond. Probably if he were a shrewd buyer he would be far ahead of the other fellow.

Now this does not mean that the investor is to change his whole plan of investing to hunting for high yields and then buying a little participation in each security. That would not be a safe or sane plan of investment, and is the wrong application of the principle of diversification. But the investor who has a good reserve of the soundest securities and wants to benefit by the higher yields that are now being offered on industrial, public utility and similar bonds can make his list more secure and more marketable by not putting all his eggs in the one basket, but by distributing the risk.

There was a Boston professional man who bought one share and one share only of each attractive looking industrial stock that was offered him. He carried the principle of diversifying his investments to an absurd degree. Yet he probably became a rich man.

TRAMWAYS MEETS BONDS

Issues of $2,700,000 Paid In Canada Maturity—Position Improved

From Our Own Correspondent

MONTREAL.—That the financial position of Montreal Tramways Co. has improved greatly during the past year or so, received one other demonstration this week when issues of $2,700,000 of bonds debentures, dated May 1, 1902, were met and paid in cash on maturity, May 1. These securities bore an interest rate of 4½ per cent., and were payable in London and Montreal. These are made up of an unredeemed balance of an issue of $1.500,000 20-year gold bonds, and $2.238,666 debentures.

This transaction should be taken in conjunction with the recent wiping out of the final arrears on dividends, and two payments to the city amounting to $575,000. The stock reached a new high for some years this week.

April Bond Sales

Even without the Dominion Government loan, bond sales in April would would have reached the highest total in many months. As it was the total bond issues of Canadian governments, municipalities, and corporations were $144,399,003 and the sales for the year to date have been $215,050,579. The April record was as follows:

Government	$100,000,000
Provincial	18,000,000
Municipal	17,924,503
Corporation	6,474,500
Railway	2,000,000
	$114,399,003

Year to Date

January	$27,551,582
February	17,277,940
March	25,822,054
April	144,399,003
	$215,050,579

Clarke Brothers to Sell Prior Lien Bond Issue

The holders of the outstanding $238,500 refunding bonds of Clarke Bros., Limited, have given their sanction to that already granted by the first mortgage bondholders to a new issue of $600,000 prior lien bonds. This $238,500 of bonds now outstanding, is part of an issue of $2,000,000 offered last fall for the purpose of refunding $896,500 of serial bonds, and $200,000 of bonds held by certain equipment interests, but owing to the unfavourable condition of the financial market, the issue was withdrawn after $238,500 had been sold.

The way is now clear for the flotation of a new issue and it will be placed on the market shortly. This $600,000 of bonds, which have prior lien on the assets of the company, will bear interest at 7 per cent. and will mature in 15 years.

It is not decided whether the new financing will be carried on in the United States or Canada. Representatives of the bondholders will be placed on the directorate.

Atlantic Sugar Must Sell $3.000,000 Bonds

At the annual meeting of the shareholders of Atlantic Sugar it was stated that the $3,000,000 issue of second mortgage bonds which at present are held as collateral security for bank loans, must be disposed of. The next step will be the funding of the debt to the creditors. Emphasis was placed however, on the very favorable condition of the company at the present time and its prospects for the current year. The production is running around 8,000,000 pounds of sugar a week, or over 1,000,000 pounds a day and it is expected that the turnover will reach close to $25,000,000 for the present year. This output would be considerably in advance of last year although the higher price ruling then on an average, but the turnover to about $30,000,000.

Regina Sells $434.650 of Bonds in United States

From Our Own Correspondent

REGINA.—The city has disposed of its $434.650 six per cent. bond issue to a syndicate composed of A. E. Ames and Co., E. H. Rollins and Sons, Toronto and Messrs. Nay and James, Regina. The securities were sold at an average price of 99.125, there being five issues varying as to maturity from five to thirty years. Payment in New York funds was accepted, making the return to the city in Canadian currency about 100.60 at present exchange rates. The extension of powers granted the local Government Board by the provincial legislature at the last session, had the effect of greatly reducing the number of bids received.

UTILITIES PAYING TAXES

For the first three months of 1922 the public utilities of Edmonton have earned a profit of $135.840 after paying interest, depreciation and sinking fund charges and this sum has been taken into current revenue as taxes on the utilities. The figure for the same peirod last year was $84,239.

TORONTO'S PRICE ADDS CONFIDENT TONE TO THINGS

City Received a Remarkable Price for its Big Issue

WEEK'S BOND SALES

Somewhat interesting was the trend of affairs in the bond market this week following the most successful sale by the City of Toronto of its $6,000,000 bond issue. At first there was surprise at the remarkable bid the city received, a bid which necessitated the offering of the longer term bonds at a price to yield 5.20 per cent., but the fact that the bonds sold at that price tended to create a confidence in the market that livened up investment trading. It all had the effect of again calling attention to the fact that the Canadian bond market has gone as far forward as the investment market in the United States.

Toronto sold $6,286,000 of assorted bonds maturing from 1922 to 1952 and bearing interest at 5, 5½ and 6 per cent. at a price of 100.68 at which the funds cost about 5.43 per cent. The bids were:

Wood, Gundy & Co., and Dominion Securities Corp.	100.68
National City Co.; Harris Forbes Co.; R. C. Matthews & Co.; R. A. Daly & Co.; United Financial Corp. and McLeod, Young, Weir & Co.	99.393
A. E. Ames & Co., and Aemilius Jarvis & Co.	99.309

Magog Debenture Issue

Corporation des Obligations Municipales bought $65,000 of 5½ per cent. bonds of various maturities of the town of Magog, P. Q., at 98.26. Bids were:

Corporation des Obligations Municipales	98.26
Rene T. Leclerc	98.10
McLeod, Young, Weir & Co.	97.72
Versailles, Vidricaire & Boulais	97.00
Hanson Bros.	96.83
L. G. Beaubien & Co.	95.75

The Municipal Bankers Corporation purchased an issue of $26,000 of 6 per cent. 20 instalment bonds of Carleton Place, Ontario.

Montreal South has sold $180,000 5½ per cent. 25 year debentures to Rene T. Leclerc at 94.12, a 5.90 per cent. basis. A. E. Ames and Co. bid 91.13.

St. Catharines' Issue Sold

St. Catharines, Ontario, sold $239,305 of bonds to Wm. C. Brent and Co. This also was an assorted issue with an average maturity of about 10 years. The price paid was some of 5's and some 5½'s. The price paid was 100.23 and bids received were:

W. C. Brent & Co.	100.23
Gairdner, Clarke & Co.	100.13
C. H. Burgess & Co.	100.08
Wood, Gundy & Co.	99.83
R. C. Matthews & Co.; McLeod, Young, Weir & Co.	99.664
National City Co.	99.59
Dominion Securities Corp.	99.553
Canada Bond Corp.	98.346
A. E. Ames & Co.	97.20

Campbellton, N. B. Sale

Gairdner, Clarke and Co. bought by private negotiation $90,000 of 5¼ per cent. thirty five year bonds of Campbellton, N. B., at 99.82.

Wood, Gundy and Co. paid 100.816 for $215,437 of 10 and 20 instalment bonds of North Bay, a basis of 5.89 per. cent.

A. E. Ames and Co. were the purchasers of a block of $60.000 of 6 per cent. 20 year bonds of East Kildonan, Manitoba, paying 97.09 for the issue.

McLeod, Young, Weir and Co. bought $120,000 of 30 year 5½ per cent. bonds of Belleville, Ontario, at 101,39 a 5.40 basis.

BOND SALES IN U. S.

From Our Own Correspondent

NEW YORK.—During the three months ending March 31, 1922, Canadian municipal and provincial loans to the amount of $11,250,000 were floated in the United States. This is slightly larger than the total floated during the same three months in 1921 and over twice as much as the total during the same period in the two preceding years.

ST. CATHARINES ISSUE SOLD

St. Catharines, Ont., sold $239,305 of bonds to Wm. C. Brent and Co. This also was an assorted issue with an average maturity of about 10 years. The price paid was some of 5's and some 5½'s. The price paid was 100.23 and bids received were:

BOND MOVEMENTS OF THE WEEK

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921.		Range 1922		Latest Price Week Ending May 2.			
				High	Low.	High.	Low.	Ask.	Bid.	High.	Low.
Asbestos	5	1942	6.65	100	73	100	76	82	81	81½	—
Bell Telephone	5	1925	6.12	93½	81¼	96½	94	96¾	96	96½	96
Can. Bread	6	1941	6.32	90½	82	96½	88½	—	96	96½	—
Can. Cement	6	1929	6.48	85	89	98⅜	94	—	96	97	—
Can. Cottons	5	1940	6.37	84	77	85	82	—	85	85	—
Cedar Rapids	5	1953	5.27	97	86	97½	94	—	95¾	95¾	95¼
Dom. Cotton	6	1922	6.50	99¾	96	99½	99	—	99¼	99½	—
Montreal, Sep.' 23	6	1923	6.26	100	97¾	102	97½	—	99¼	99½	—
N. S. Steel	5	1959	6.40	76¾	69¾	83½	78½	—	81	80	—
Ogilvie (C)	6	1932	5.68	96	93	102¼	100	102¾	—	102½	—
Quebec Rly	5	1939	8.25	68	59	71	63½	68¾	68½	69	67¾
Nat. Breweries	6	1939	6.00	98	90	100	97	—	98	100	—
Sao Paulo	5	1929	7.62	82	70	85	80	84¾	84¼	84¾	84
Sher. Williams	6	1941	6.07	98	96	99	96	99	98½	99	—
Wayagamack	6	1951	8.02	78¼	69½	79	71¾	77½	77¼	77½	77¼
War Loan (1925)	5	1925	5.49	96.00	92.00	98.50	96.10	.....	98.25	98.25	97.90
Do., (1931)	5	1931	5.19	96.60	90.05	98.80	96.25	98.75	98.40	98.80	98.50
Do., (1937)	5	1937	4.91	102.50	94.50	101.50	99.50	101.15	100.85	101.10	100.70
Victory (1922)	5½	1922	5.38	99.55	96.62	100.10	99.10	100.10	100.05	100.10	99.70
Do., (1923)	5½	1923	5.46	99.50	95.50	100.10	98.75	100.10	100.00	100.10	99.75
Do., (1924)	5½	1924	5.58	98.50	94.25	100.75	98.00	100.00	99.75	100.75	99.50
Do., (1927)	5½	1927	5.32	101.00	95.25	102.70	99.75	100.90	100.60	101.00	100.30
Do., (1933)	5½	1933	5.11	101.80	95.12	103.50	101.25	103.55	103.40	103.45	103.10
Do., (1934)	5½	1934	5.36	99.43	92.25	101.25	98.80	101.30	101.25	101.25	100.75
Do., (1937)	5½	1937	5.00	104.00	96.50	106.55	103.30	105.50	105.40	106.55	105.10

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The assets of the Company are nearly 2½ times the entire Bond Issue.

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5¼% bonds due May 1, 1952. Price: Rate to yield 5.25%

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6% bonds due June 1, 1951. Price: Rate to yield 5.30%

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Moncton, N.B.
5½% bonds due May 1, 1937. Price: Rate to yield 5.45%

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Dispatches from Mexico City say President Obregon tells American and European business men visiting him that Mexico welcomes all foreign capital and is disposed to give guarantees so long as law is observed.

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MacKay & MacKay

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MacKay & MacKay
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7½%
For Fifteen Years

In view of the low income now available on Government and Municipal Bonds, resulting from the continued upward trend in price, a keen demand has developed for high-grade industrial securities.

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Dr. Adam Shortt Will Make Recommendations to Council

From Our Own Correspondent

VICTORIA.—Dr. Adam Shortt, federal taxation expert, has arrived in Victoria to conduct an inquiry into the city's financial and tax problems. The expense of the inquiry will be met by a group of Victoria business men who are heavy taxpayers and who are anxious to learn the impartial opinion of an outside authority.

The principal idea is not only to lay before the city council a set of recommendations to the end that sound financial conditions may be restored and the methods of civic administration improved, but to enable the city to advertise to everyone interested in its securities that it is prepared to go to the bottom of the various contradictory reports that have been broadcasted regarding the city's fiscal stability.

Among the questions that are being submitted to Dr. Shortt are the following:

1. Is the city sound financially or drifting towards bankruptcy?
2. If the city is not in a healthy condition, is it the result of too light taxation in previous years?
3. Is it not a fact that taxes must be raised at least 25 per cent?
4. Is the present form of hybrid single tax good?
5. Is is not sound business to tax improvements?
6. Does the present form of civic government by aldermanic board lead to efficient administration?
7. What is the cause of the city's present financial position and what is the easiest and quickest means of relief?
8. What has been the effect of land speculation?
9. Is the present situation largely due to the failure of previous councils to impose and collect adequate taxes?

Dr. Shortt will also be asked to make a report on the relationship between the city council, the revenue-raising body and the spending bodies such as the school board and police commission. The council blames these bodies for much of the increased cost of municipal maintenance and has repeatedly urged the Provincial Government to grant the council control over the expenditure in these departments.

Local improvement charges are generally regarded as largely responsible for the present tax deficits, and Dr. Shortt will be asked to make a thorough study of this phase of the question.

EDMONTON HAS A GRAPHIC REPORT

Very graphic in its manner of presenting the condition of the city's affairs and the results of 1921 is the annual report of the City of Edmonton which has been issued by City Commissioner C. J. Yorath. The book is a model of clarity and its numerous charts and graphs convey to the mind of the average taxpayer more than any mass of figures, however carefully analyzed, could begin to convey.

In making out his report, Mr. Yorath has assumed a series of 29 hypothetical questions that any citizen might ask about the affairs of his city and has answered these questions by explanations, by figures and by charts.

The report indicates that at the end of 1921 Edmonton had a gross funded debt of $31,488,976 divided by percentages as follows: general, 39,9%; local improvements, property shares, 14.15%; public utilities 34.7%; public school, 10.36%, and separate school, .9%.

There was in the sinking fund at the end of the year $7,578,427 or 25.9 per cent. of the total debenture debt. In 1911 the figure was 4.05 per cent. and in 1916 11 per cent.

PORTO RICO

Gross earnings of the Porto Rico Railways Company for the month of March amounting to $108,633, compared with $117,977 for the same month in 1921, a decrease of $9,343, or 7.92 per cent. Net for the month at $47,402 showed a decline of $1,603 or $3.27 per cent.

For the three months ending with March gross amounted to $320,939, a decrease of $19,945, or 5.85 per cent., while net amounting to $136,316 was lower by $7,191 or 5.01 per cent.

If It Keeps On This City Will Pay Dividends Inside of Another Decade Or So

Half a dozen people interested in municipal finance were arguing that ancient question of determining the net debt of the city. After listening to the others propounding the many and various items that should be deducted from the gross debt of any city in determining its net debt one of the party chipped in with this remark:

"The way I figure it, my city has a net debt of minus $4,000,000, which puts it on a pretty high pedestal financially."

Minus $4,000,000. 'And pray how can a city have a debt that isn't a debt; that is so small it is actually a minus quantity?" he was asked.

"Well, I reckon it this way. My city has a gross funded debt of $42,000,000. Jackson there says we ought to deduct the public utility debt. Righto! we'll do that. It comes to $26,000,000 which leaves us $16,000,000. Thompson thinks we ought to take off the ratepayers' share of local improvements because the city will get that back without levying for it in the tax rate. He's quite right so we take off $7,000,000 more and that leaves a net debt of $9,000,000. And then I am sure you will all agree with Watkins when he suggests taking off the sinking fund in hand. In the case of my home town it amounts to $13,000,000. Take $13,000,000 from $9,000,000 and it leaves you—minus $4,000,000."

Increase Capital of Montreal Finance Corp.

From Our Own Corerspondent.

MONTREAL.—Montreal Finance Corporation has made a change in its capital stock from $500,000 to $1,500,000. This will consist of 30,000 shares of 8 per cent. cumulative preferred participating stock of a par value of $50, with $30,000 common shares of no par value. Under the former arrangement the preferred stock amounted to $100, that is 25,000 shares, and over 25,000 shares also of common stock $10. The selling of the stock is under the charge of the Banking Service Corporation which looks after the office work for the Montreal Finance Corporation for the first six months. The stock is sold in a unit of two preferred shares and bonus of common stock for $120.

HANDLING FRENCH BONDS

MONTREAL.—Geo. Beausoleil & Co., announce that they have opened a section to handle French bonds authorized by the French government and listed on the Paris or the New York Exchange. Several of these issues have been distributed in Canada and a good deal of interest is shown in these French bonds in this country. The department will be in charge of V. O. Reed, who was a regimental sergeant-major during the war.

TENDERS AND BY-LAWS

TENDERS WANTED

May 18, Prince George, B.C.—$44,000 6 per cent., 10 and 15 years. D. G. Tate, city clerk and treasure.

May 12, County of Renfrew—$200,000 6 per cent, 20 year improvement debentures. R. J. Roney, county clerk, Pembroke. (See announcement on page 16.)

May 6, New Brunswick—$2,300,000 debentures dated May 15. Provincial Treasurer, Box 540, Fredericton, N.B.

May 9, Alberta, United Irrigation District.—$550,000 5½ per cent., 30 year debentures, guaranteed by the province.

BY-LAWS TO BE VOTED ON

May 8, Orillia—$30,000 for waterworks purposes.

May 8, St. Mary's—$20,000 guarantee bonds to C. A. Hurlbut for erection of shoe factory.

SASKATCHEWAN

Schools.—Mons, $1,900; Hebden $4,500; Stove Creek $1200.

The following is a list of debentures reported sold from the 15th of April to the 22nd:

Schools.—Wigginsdale, $2,200, 15 yrs., 8 per cent., Canada Landed and National Investment Co., Winnipeg. Metropole, $600, 10 years, 8 per cent., Jas. E. Sharp, North Battleford; Bellevant, $3,300, 15 years, 8 per cent, J. H. Keeling, Keppel; Two Tree Point, $1,000, 10 years, 8 per cent., C.C. Cross & Co., Regina; Ranch, $3,300, 15 years, 8 per cent., Geo. Moorhouse & Co., Regina; Prairie View, $6,100, 20 years, 8 per cent., C. C. Cross & Co., Regina; Bainsville, $1,200, 10 years, 8 per cent, C. C. Cross & Co., Regina.

Telephones.—Finnie, $350, 8 years, 8 per cent., C. C. Cross & Co., Regina; North Admiral, $2,800, 15 years, 8 per cent, T. Taylor, Regina.

MOTORISTS LAUD FUNDING OF FEES

Ontario Capitalizes Motor Vehicles Revenue for Highways

The plan of Hon. F. C. Biggs, Minister of Public Highways of Ontario, to capitalize a portion of the revenue from motor vehicle license fees—$2,000,000 a year for the next twenty years—thus providing immediately a sum of approximately $25,000,000 for the construction work on provincial highways is strongly supported by the Ontario Motor League. In order to carry the plan through an amendment to the Highway Improvement Act will be considered by the Legislature this month and if it is approved within three years construction work on the entire provincial highways system of 1,800 miles will be completed.

On several occasions the Ontario Motor League has urged the government to adopt the scheme of capitalizing a portion of the revenue anticipated from motor vehicle license fees to provide funds for the building of the Provincial Highways. The league has advanced this as an alternative to the proposal to largely increase the annual motor license fees at the present time, and, therefore, the league heartily supports the principle embodied in the amendment proposed by Mr. Biggs.

The revenue from motor vehicle license fees last year was approximately $3,000,000. This revenue is increasing from year to year and if $2,000,000 annually is set aside by means of a bond issue for construction work, there will still be upwards of $1,000,000 remaining each year to provide for maintenance.

SIR JOHN WILLISON ON RURAL CREDITS

Believes New Scheme May Eventually Prove Burden on Taxpayers

Sir Tobin Willison, writing in the Canadian Magazine, takes a decided stand on the advisability of Provincial Governments to enter the field of finance in opposition to the chartered banks. Sir John advances the argument that the government savings scheme will not create new funds for farmers but will tend to turn into long term loans money which is now used to finance trade and industry. He also contends that the branch banking system which is giving such efficient service may be handicapped by this new competition. Another argument advanced is that because of the attitude of borrowers to government loans the scheme will not pay in the long run and deficits must be borne by the taxpayers. He continues:

"The most substantial agriculturists already are served satisfactorily by the banks, and there is reason to fear that an undue proportion of applications for Government loans will come from those to whom the banks are unwilling or unable to lend, because of inadequate security or other reasons. Even with the most careful selection, the risks involved in such Government loans will be higher than those in general bank loans, because limited principally to agricultural borrowers and confined to Provincial boundaries, instead of being distributed over the entire Dominion and a wide range of industries. But perhaps the most serious possibility of loss arises, from the attiture of borrowers toward loans from the Government. In this connection, Hon Chas. A. Dunning, Provincial Treasurer of Saskatchewan, has given exceedingly significant evidenc. Reviewing the experience of the Saskatchewan Farm Loans Board, Mr. Dunning stated recently that in the first year of Government loans interest collections were 20 per cent. less than the amount due. In the second year, this increased to 40 per cent., and in 1920, to 54 per cent. In 1921, the Provincial Government collected only 37 per cent. of the amount due on the loans which it had made. "Generally speaking the board is not paid first, but often is paid last, provided there is anything to pay with," Mr. Dunning said. It would be practically impossible for the best of Governments to enforce collections on a strict business basis, in disregard of the fact that the debtor has a vote."

RAILROAD EARNINGS

The Canadian Pacific Railway reports earnings for the nine days ending April 30, amounting to $3,356,000, a decrease of $708,000 or 17.4 per cent. compared with the corresponding period in 1921.

Earnings of the Canadian National Railways for the period ending April 30 amounted to $2,476,145, a decrease of $352,133 or 12.4 per cent.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
April 29	Belleville, Ont.	McLeod, Young, Weir & Co.	5½%	30 yr.	$120,000	101.39	5.40
April 29	East Kildonan, Man.	A. E. Ames & Co.	6 %	20 yrs.	60,000	97.09	
April 29	Carleton Place, Ont.	Municipal Bankers Corp.	6 %	20 in.	26,000		
April 29	Magog, P. Q.	Corp. des Obligations	5½%	var.	65,000	98.26	
April 29	Montreal South, P. Q.	R. T. Leclerc	5½%	25 yrs.	180,000	94.12	5.90
April 28	Boissevain, Man.	Emery T. Anderson	7 %		7,500	99.25	6.10
April 28	Tottenham, Ont.	C. H. Burgess & Co.	6 %		15,000	par	6.00
April 29	Point Grey, B. C.	Burdiels Bros.	5½%	20 yrs.	100,000	97.15	5.75
May 1	Toronto, Ont.	Wood, Gundy & Co., and Dominion Securities Corp.	Various		6,286,000	100.68	5.43
May 2	St. Catharines, Ont.	W. C. Brent & Co.	5 & 5½%	10 yrs.	239,305	100.23	
May 2	Campbellton, N. B.	Gairdner, Clarke & Co	5½%	35 yrs.	90,000	99.82	
May 2	North Bay, Ont.	Wood, Gundy & Co.	6 %	10 & 20	215,437	100.816	5.89
May 1	Regina, Sask.	A. E. Ames Syndicate	6 %	5 & 30	434,650	100.60	*
May 1	Burford, Ont.	Harris, Forbes & Co.	6 %	20 in.	14,000	103.11	5.40
	Saskatchewan Schools & Phones				20,850		
		CORPORATION					
April 29	East Kootenay Power	Nesbitt, Thomson & Co.	7 %		2,000,000		
April 28	Nova Scotia Trams.	Royal Securities Corp.	7 %	30 yrs.	1,250,000		
April 28	Matthews Steamship Co.	Goldman & Co.	7 %	10 yrs.	300,000		

*Payable New York.

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Prague dispatch says Czech cabinet orders repayment to Hoover Commission of funds spent in Czecho-Slovakia, regarding them as loan rather than charity.

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AMERICAN SALESBOOK

On account of dividend arrears on American Salesbook preferred, a further distribution of 1¾ per cent. was announced on May 1st, to shareholders of record May 20. This covers the arrears for the quarter ending March 31, 1916, and reduces the amount outstanding to 3½ per cent. Similar disbursements were made in August and December, 1920, and in July, 1921. Dividends at the rate of 7 per cent. per annum were deferred for the year 1915, and for nine months of 1916. Payment was resumed on February 1, 1917. The company is reported to be doing a good business, but it is not known as yet whether arrears will be finally wiped out this year or not.

INSURANCE AND REAL ESTATE

NEW RECIPROCAL INSURANCE BILL IS MUCH OPPOSED

Tariff Companies do Not Consider it Fair in Matter of Deposit

MORE COMPETITION

Department of Insurance Champion of New Bill Which is Now Before the Courts

In view of the intense interest aroused over the reciprocal or inter-insurance bill before the Ontario Legislature, THE FINANCIAL POST has approached both those who are in favor of the bill and those who are against it, to get their views. This bill at the present time is before the Supreme Court and is awaiting its decision as to its validity. If the bill becomes law it will allow reciprocals to carry on business in Ontario, without the $50,000 deposit required by Dominion insurance laws, but simply requiring that the company have at least $25,000 in its treasury for the protection of its members in Ontario.

The greatest opposition to the bill has come from the regular tariff companies, while the bill is championed by V. Evan Gray, head of the department of insurance.

Unfair to Tariff Companies

What the regular tariff companies think of the reciprocal is summed up in the following paragraph which was taken from literature used in urging the defeat of the bill:

"An institution through which an indefinite number of persons, unknown to each other, severally assume unknown portions of the total liability on the risks, unknown to the insurers, of all the other insurers, and at the same time become insured by unknown parties under an indefinite and constantly changing number of contracts covering changing proportions of the liability on each risk."

The chief objection to the reciprocals is in the matter of the deposit requirement. The tariff companies state that they are required by the Dominion insurance laws to place with the government $50,000 for the protection of their policy-holders. By admitting any company that is only required to have $25,000 in its treasury, will mean, they allege the allowing of all sorts of financially unsound companies to enter Ontario. With the result that cheaper protection may be "bought" but when it comes to "collecting" the claim, in the event of a fire the insurance may not be so cheap after all.

Liable to Heavy Risks

Another objection is that when a company insures in a reciprocal it joins a group whose members are often spread over a very wide territory. If the inspection service of the mutual or reciprocal is not maintained to the highest efficiency, there will be very heavy losses; for the majority of firms who insure in a reciprocal do so for very large amounts. When a loss occurs it falls jointly on all of the members. The manager of a reciprocal is usually known as a attorney-in-common and the business policy of the company is very largely in his hands, it is contended. The tariff companies point to the very large numbers of inter-insurers that failed last year in the United States and Canada, as mute evidence of their instability.

The Other Side of the Case

"We must have increased competition in Ontario for our fire insurance business," said V. Evan Gray of the insurance department. He declared that in the past the tariff companies have had an undisputed field and have set what rates they pleased, which is not good business. As to the stability of the reciprocal insurance company, the example of one of the largest reciprocals was given. This company has written over two billion and a quarter dollars of insurance since it was founded in 1891. The net premiums received amount to over ten million dollars and the savings credited to the customer's accounts has been over eight million of dollars. The losses paid per thousand of business carried since inception of the company, amount to 45 cents.

In answer to the assertion that approximately 137 reciprocals had failed last year, Mr. Gray stated that 69 of that number had been formed in the state of Texas, where there had been no controlling insurance regulations for this type of company. Thirty-four had crashed or had been forced into liquidation in the state of Illinois when legislation similar to Ontario's had been introduced there last year.

Among the Canadian companies that had failed there had been some that had paid their $50,000 deposit to the government.

As to the question of risks, it was pointed out that reciprocals only accepted approved risks and employed fully qualified engineers on their staffs to carry out and superintend the protection of the insured property. In fact reciprocals have played a very great part in the lowering of fire losses, by the demanding of better sprinkler protection, for in these companies every dollar saved, means that much goes back to their subscribers' pockets.

MEN BACK AT WORK AT THE OLD RATE

Bricklayers and Masons to Continue Working Until Settlement of Appeal

Practically all the members of the Bricklayers' and Stonemasons' Union in Toronto, went back to work on May 1, at the old dollar-an-hour rate of wages, according to business agent John Vick. A few employers had attempted to put into effect the 92½ cents per hour rate, recently set by arbitration award but against which a protest had been entered by the Union. Most of the employers, Mr. Vick stated, had agreed in accordance with the joint international agreement between the Bricklayers' Union and the Builders' Association, to defer the putting into effect of the arbitration award until a decision on the protest had been made by the international body.

At the present moment there is a shortage of bricklayers and union officials state that they could place a large number of men at a moment's notice. Some of the men already at work had been offered as high as $1.25 an hour by rival contractors.

The possibility of a strike, at this time, would have a very serious effect on building in general. At the present rates of pay the men are receiving higher rates than ever before in the history of the unions. During 1919 and 1920 when the other unions were receiving the peak wages these men were receiving approximately 75 cents per hour. Construction on a large scale, it is contended by the employers, cannot proceed until there is a reduction of the very high wages now being paid.

GASOLINE STATIONS FOR WEST ONTARIO

Half a Million Dollars Spent on Property for New Locations

From Our Own Correspondent

LONDON.—One of the biggest deals in connection with the gasoline business that has been put through in Western Ontario in a long time is now being negotiated by Bert Weir of this city for the Pure Gasoline Co. of Toronto. Mr. Weir stated to THE FINANCIAL POST that he had been commissioned to purchase $500,000 worth of property in the most important cities and towns. These will be used as localities for gasoline stations. Approximately $1,000,000 will be expended in new buildings and equipment.

"There will be at least one station in every county," said Mr. Weir. "I have already selected the locations in London, Ingersoll, St. Thomas and Brantford. In London work will be commenced immediately on a handsome building on Dundas St, between Waterloo and Colborne Sts. A second station is planned for London and also a supply station. The latter will be constructed immediately on property in East London adjoining the C. P. R. tracks."

No Definite Practice for Safekeeping of Policies

In a recent census of a considerable number of industrial firms, it was found that the question of the safekeeping of insurance policies was a much debated one. The proportion of companies that keep all their policies in their own vaults, in a bank safety vault and in their broker's hands, were about equally divided, it was discovered.

Some of the companies, whose stock or inventories fluctuated constantly, kept their policies in their own vaults for quick reference. On the other hand there were many companies who viewed their insurance policies in the light of legal documents and deposited them in large safety vaults along with their other valuable papers. But perhaps the largest majority of companies simply took advantage of the service offered by their brokers and left the policies with them for safe keeping.

Many insurance companies do not demand to see the policy held by the insured in the event of a loss, but simply investigate the claim and settle it. Any person who holds an insurance policy is entitled to a certified copy of that policy, in the event of its being lost or mislaid. Also the insurance companies and the brokers, keep copies of the policies in their own vaults.

The Travelers Insurance Company have announced the extension of the branch office in Winnipeg, to include liability lines. Harry C. Leavens has been appointed manager. The life, accident and group departments which have been established for some years, will be continued under the management of John H. Mitchell.

MORE CONSTRUCTION CONTRACTS IN APRIL

Large Proportion of Contracts Are Still for Erection of Residences

During April construction contracts awarded in Canada, according to MacLean Building Reports Limited, amounted to $29,428,400 compared with $13,465,000 in March and $21,622,000 in April 1921. Residential building accounted for 42.8 per cent. of the April total and amounted to $122,472,200. Business building amounted to $8,203,300 or 27.9 per cent. of the total; industrial buildings, $3,176,400 or 10.8 per cent. public works and utilities $5,576,500 or 18.5 per cent. The amount of contemplated new work reported during April was $29,427,600. The figures for the different provinces are as follows:

	Projtcts	Value
Ontario..	1841	$17,910,700
Quebec	483	4,668,100
British Columbia	211	3,238,700
Manitoba..	122	1,184,800
Saskatchewan	65	942,400
Alberta	92	757,300
Nova Scotia	64	462,700
New Brunswick	52	239,700
Prince Edward Island	5	24,000
Total for Dominion..	2935	$29,428,400

The trend of building costs is still slightly downward. During March the wholesale price index of 48 building materials declined 5 per cent. and is now 79.7 per cent. above 1913 compared with a peak of 183.8 per cent. reached in May, 1920. Prices have now declined 56.6 per cent. from the high.

Shall We Inflate the Currency?

Continued from page 10.

of the first producer will be worse than it was before.

But we must be just to the farmer and suppose that he is not quite so blind to the lessons of the past few years as to have overlooked entirely the obvious reasoning we have outlined. Another question arises that is worth consideration. It is possible that prices may be unduly depressed and that inflation has progressed so rapidly and so far that there is a real lack of money which ought to be replaced? This is a far more serious question and needs care in answering.

Progress of Deflation

In the first place, we must say candidly that it is not at all impossible that such should actually be the case; it is even highly probably that deflation has proceeded somewhat too quickly and too drastically hastened by the efforts of governments to balance their budgets by high taxation. Such is a very laudable object on the part of the finance ministers, but people are beginning to see very clearly, more especially in Great Britain, that what is needed is a decrease in public expenditure which will relieve the taxpayer. It is all very well to say that governments must balance their budgets, so they must, but it is always true that governments by every means in their power must bring their budgets down to a figure where they can be balanced without crushing calls on the unhappy taxpayer.

We therefore return to the point which we admitted possible, that it is highly probable deflation has gone too rapidly, and most unhappily it has hit the poor farmer harder than anybody else. Surely then if we admit we have had too drastic deflation, what we want now is a little inflation of currency to redress the balance? By no means; it is precisely at that point that the inflationist makes his fundamental error. The whole truth is summed up as follows. The deflation from which we are admitting suffering is not one of currency but of purchasing power, and conversely the inflation, which we are admittedly in need of is one of purchasing power and not one of currency.

How then shall we "inflate" our purchasing power, if we may use such a term. The answer is a very plain one, simply by everyone trying to clear up the mess into which the world has fallen. Europe must be cleared up first; perhaps Genoa will be able to do that, although at the time of writing it hardly looks like it. Government expenditures must be cut to the bone, and every possible form of public extravagance eliminated. Merchants and manufacturers must bend every effort to increase efficiency, and they must be backed up by labor. Labor must accept the inevitable and determine that a decline in wages must be compensated and even more than compensated, by an increase in all round efficiency, and understand that what it wants is not more money but more for its money. In this way alone may the world win back to prosperity.

We must not judge the farmer too harshly in his inflationist demands. He is having a very hard time of it, and quite naturally and excusably he grasps at anything that may appear to offer a way out of his difficulties. But inflation of currency is not one of the ways out; it will be a path that will lead only further into the morass of depression.

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Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
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British American Assurance Co.
Fire, Marine, and Automobile Insurance
HEAD OFIFCE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Ltd.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pelatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over ... $52,000,000.00

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WINNIPEG, MAN.
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Capital Subscribed... 1,700,000
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CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
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W.H. George, Superintendent of Agencies

The Miniota Farmers' Mutual Insurance Co.
BEULAH, MAN.
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Assets of over $800,000.00.
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C.P.R. EARNINGS IN BEST SHOWING SINCE SEPT. LAST

Less Than $1,000,000 Behind Last March and Net Within $30,000

MEETING EXPENSES

Ratio for March Only 82½ Compared With 90 for First Quarter—Interesting Comparisons

From Our Own Correspondent

MONTREAL.—The statement of receipts and earnings of the Canadian Pacific Railway Co. for the month of March seem to indicate that there has been a definite turn in the tide. It is quite true that the net earnings are still $30,000 behind those in March, 1921, but this decrease is the best showing that has been made since last September. The gross earnings for the months are $2,500,000 ahead of February, and about the same ahead of the month of January, although $858,000 behind the gross of March, 1921. A favorable factor is the item of net earnings where it is seen that the Company has been able to cut down the cost of operations by a substantial amount to offset the loss in gross earnings which may continue for some little time. From a percentage standpoint, however, it is seen that the cost of operation in March, 1922, was only 82½ per cent., as compared with 83.4 per cent. in March, 1921. The showing works out much better as compared with March, 1920, when gross earnings were nearly $2,000,000 more but net earnings were $500,000 less than in March, 1922. Thus economies in management are winning out, and it may be expected that the showing will be even better as the year progresses.

Gross earnings for the month amounted to $13,847,000 of which net earnings amounted to $2,420,000. The falling off in general business throughout the country, of course, is quite evident, although the gross, as has been said, is much higher than for January and February. It is about $2,000,000 less than December and $5,000,000 less than last November, but just about the same as in May, 1921, and April, and very little less than in January of last year.

Within $347,000 Net for Quarter

Taking the first three months of the present year the net earnings show up well, being within $347,000 of those of the year 1921. The gross earnings of $36,000,000 show a decline of over $5,000,000 compared with last year, but operating expenses have been held down and show a decline also of over $5,000,000. The net earnings for the first three months of the year amounted to $3,558,000, as compared with a little less than $4,000,000 for the first three months of last year. The percentage of operating cost is just about the same, slightly over 90 in each case. This is due to the heavier cost of operation in the months of January and February which is met with each year. The cost of operations for the month of March however, showed a decline of over 7½ per cent. this year.

Below are given the figures showing the growth in earnings and operating expenses for the month of March and also for the period of three months. Figures are also given showing comparisons with the gross and net earnings for a number of months in the past two years.

For Month of March

	Mch. 1922	Mch. 1921	Dec.
	$	$	$
Gross...	13,847,626	14,705,726	858,100
Op. ex. ..	11,427,120	12,254,818	827,698
Net.	2,420,506	2,450,908	30,401

First Quarter of Year

	1922	1921	Dec.
	$	$	$
Gross...	36,489,294	41,940,143	5,450,849
Op. ex...	32,930,823	38,034,418	5,103,595
Net	$3,558,471	3,905,725	347,253

Gross and Net by Months

	Gross	Net
1922—		
March	$13,847,626	$2,420,506
February	11,363,693	654,487
January	11,337,974	483,477
1921—		
December	15,756,923	1,917,781
November	18,787,679	3,671,801
October	22,089,624	6,711,486
September	19,949,761	4,320,049
August	17,064,265	2,576,139
July	15,772,929	2,054,315
June	14,461,642	3,104,757
May	13,892,044	3,293,551
April	13,761,840	2,646,131
March	14,705,726	2,450,908
February	12,768,986	813,391
January	14,465,430	641,424

Net and Operating Expenses

March—	Net	Expenses.
1922	$2,420,506	$11,427,120
1921	2,450,908	12,254,818
1920	1,957,764	13,758,172
1919	1,539,044	10,835,138
1918	2,992,781	3,435,133
1917	3,937,317	7,909,225
1916	3,421,330	6,959,651
1915	2,973,014	4,879,975
1914	3,099,239	6,348,222

WARNING AGAINST ASBESTOS EMBARGO

Would Kill Canadian Mining Industry as no Market Here Could be Found

From Our Own Correspondent

MONTREAL.—A protest and a warning against the suggested embargo on the export of raw asbestos from Canada was made at the annual meeting of the Asbestos Corporation of Canada by the president, W. G. Ross. Such suggestions, he declared, were ill-advised and ignorant, and he added that if such "foolish policies" were adopted it would sound the "death knell of the asbestos mining industry of the province of Quebec," for the reason that if such a policy were adopted the world supply of raw asbestos would come from Rhodesia, Russia and the United States itself, and Canada would mine only sufficient to supply such small proportion for her own needs that no mine could operate profitably. He added that at present approximately one per cent. of what is mined would supply the Canadian consumption. Nor could she sell, if she did manufacture, practically anything outside of her own territory. He continued:

"No matter how well dressed up it may appear to the public generally, and how well it may appeal to those ignorant of economic conditions, it is insufficient to say that if the manufacturing concerns of Great Britain, Germany, Belgium and France, who have the finest manufacturing plants in the world, are unable, with a large and favorable rate of exchange in their favor, to sell in the United States, how hopeless it would be to expect that Canada could sell any manufactured goods outside her own territory, the demand for which is insignificant."

Dealing with the conditions in the industry generally, Mr. Ross stated that the general depression had hit the asbestos business like all other business, and, we have also to meet the development of Rhodesian and South African mines, which have recently become quite a factor in the mining and output of asbestos. The large percentage of the world's supply which Canada has furnished in the past has dropped considerably and this country is now supplying a little over 50 per cent. of the higher grades of materials. It has cost us some anxiety, due to the fact of the cheap labor in Rhodesia, as well as the lack of sympathy from our provincial government, whose taxation is most onerous."

PAINT EXPORTS TO INDIES

From Our Own Correspondent

NEW YORK.—Canadian paint manufacturers, notably the Canada Paint Company are preparing to develop further business in the West Indies, according to H. L. Wineroope of Montreal who is on his way to Cuba, Porto Rico and Haiti. Mr. Wineroope said that his company's export department was already doing a large and profitable business with Australia, New Zealand, South Africa and the British West Indies and that he expected to obtain equally profitable orders in the other parts of the West Indies he was about to visit.

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Ford Motor Company of Canada, Limited, Ford, Ontario

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Return of the Chartered Banks of the Dominion of Canada, March 31, 1922.

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913.

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK		Amount of Reserve Fund	Last Dividend declared	Notes in Circulation	Due to Dominion Government	Due to Provincial Govts	Demand Deposits In Canada	Notice Deposits in Canada	Deposits Elsewhere	Loans from banks in Canada	Balances due to Banks in Canada	Due to Banks in the U. K.	Due to Banks Elsewhere	Bills Payable	Acceptance under letters of Credit	Other Liabilities.	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest Amount Notes in Circulation
		Capital Subscribed	Capital Paid up																				
	$	$	$	$	%	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
*Montreal	31,175,000	27,250,000	27,250,000	27,250,000	12	39,718,693	37,586,115	4,550,494	128,794,454	290,610,140	78,955,761	....	3,512,127	246,402	2,531,793	1,718,946	2,329,750	826,533	591,381,212	1,125,175	31,048,299	65,895,080	39,718,693
Nova Scotia	15,000,000	9,700,000	9,700,000	19,000,000	16	14,481,905	9,621,216	620,563	27,749,842	108,937,065	28,370,005	....	1,088,871	4,773	1,199,316	869,087	457,055	390,945	193,790,649	1,072,904	10,056,793	12,295,071	15,317,656
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	5,673,378	523,313	715,428	21,760,716	45,066,972	....	....	490,204	143,594	615,510	....	565,672	4,481	75,559,271	354,304	988,180	6,723,164	6,137,718
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,623,386	3,107,833	301,572	14,202,184	41,050,755	....	....	177,970	4,086	113,530	....	167,078	420,934	64,169,332	287,361	605,564	2,676,548	5,167,246
Nationale	5,000,000	2,000,000	2,000,000	400,000	6	4,447,590	5,805,742	889,537	4,616,684	27,813,805	6,087,240	....	1,303	386,736	397,395	400,000	....	....	50,846,035	144,655	479,700	1,225,400	4,606,935
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	2,556,394	2,078,533	132,048	4,182,003	25,395,069	....	....	670	....	12,048	....	....	267,497	34,624,265	....	160,431	179,924	2,807,394
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	7,865,207	3,686,874	3,422,900	25,915,632	63,957,088	5,108,318	....	210,501	6,233,885	2,620,721	....	1,872,295	39,163	120,932,590	1,081,983	1,128,604	7,016,606	7,982,154
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	20,805,989	4,380,922	2,455,042	88,885,091	164,324,281	32,436,964	....	78,685	2,026,200	12,340,653	374,193	5,101,436	17,267	333,226,728	1,475,974	16,484,000	19,857,000	22,248,579
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	27,919,617	8,562,337	2,317,980	75,293,495	181,917,256	112,371,484	....	1,930	86,130	12,633,232	2,349,284	5,877,778	38,352	429,368,881	672,723	12,778,505	17,917,000	29,729,433
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	6,529,626	6,125,223	1,392,567	21,793,309	66,578,991	2,418,142	....	416,437	318,764	937,296	614,007	245,613	498,511	107,868,490	503,900	2,138,000	5,767,000	6,966,626
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	4,608,946	3,444,356	567,190	13,437,960	42,074,355	....	....	151,199	48,772	424,814	....	170,837	....	64,928,432	662,618	902,875	2,119,385	5,016,491
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	4,788,400	966,065	534,066	14,955,174	43,963,746	....	....	1,612,454	391,540	1,006,151	228,581	53,647	174	68,500,001	100,792	1,718,254	4,700,250	5,133,210
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	5,864,499	4,175,633	96,915	8,655,211	41,531,664	....	....	526	32,325	165,513	....	16,338	....	60,538,628	237,100	516,733	2,222,136	5,980,584
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	9,770,205	1,794,650	5,621,167	23,112,052	63,111,898	....	....	853,140	7,222	277,080	....	142,700	....	104,690,116	126,871	1,809,506	10,720,035	10,416,212
Home	5,000,000	2,000,000	1,959,939	550,000	7	1,513,650	2,734,265	1,563,558	6,555,274	11,800,642	....	....	1,461	123,302	431,609	....	....	6,028	24,729,793	299,117	205,325	1,232,935	1,643,995
Sterling	3,000,000	1,266,600	1,232,900	500,000	8	1,207,705	3,918,008	712,654	3,496,527	11,297,833	....	....	230,891	....	....	....	6,475	2,370	20,872,466	245,710	78,880	724,129	1,223,103
Weyburn Security	1,000,000	655,700	524,560	225,000	7	276,177	285,889	8,551	827,466	1,197,280	....	....	....	....	14,368	....	....	33,961	2,643,695	72,641	17,964	112,703	327,332
Total	187,175,000	124,272,300	124,067,399	130,175,000	......	162,651,367	98,796,974	25,902,232	484,233,074	1,230,628,840	265,747,914	....	8,828,369	10,053,731	35,721,029	6,554,098	17,006,674	2,546,216	2,348,670,584	8,463,828	81,117,613	161,384,366	170,423,361

ASSETS

NAME OF BANK	Current Gold and Subsidiary coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other banks	Cheques on other banks	Balance due from banks in Canada	Due from banks in United Kingdom	Due from Banks elsewhere	Government securities	Canadian municipal, British and foreign securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	31,069,143	69,158,952	1,620,000	20,450,000	3,226,277	23,171,871	39,215	3,374,417	5,652,248	39,801,470	28,201,572	4,497,460	6,391,573	100,578,573	254,234,861	15,405,313	1,586,158	23,859,256	2,362,312	576,279	616,785	10,750,000	2,329,750	*1,283,850	650,237,344
Nova Scotia	10,100,404	10,032,708	487,815	5,500,000	2,244,317	8,407,306	....	150,781	2,067,865	26,801,284	8,748,608	6,365,406	8,786,374	11,047,344	95,269,212	15,363,101	....	3,652,694	263,648	44,394	177,532	6,936,880	457,055	233,804	223,138,542
Toronto	990,260	5,518,564	262,479	1,500,000	461,215	4,255,289	....	....	759,964	10,968,643	2,043,070	268,066	6,312,433	534,182	48,032,078	....	....	2,381,562	473,104	....	....	5,567,094	565,672	....	88,893,683
Molsons	593,064	2,760,449	205,000	1,000,000	341,617	2,927,078	2,783	128,306	1,297,170	7,664,744	1,694,496	1,122,143	6,071,434	....	42,464,092	....	....	1,740,951	371,324	47,226	21,635	3,110,074	167,078	312,340	74,043,013
Nationale	485,745	1,048,318	100,000	2,900,000	269,300	1,455,365	6,370	....	827,118	16,194	6,732,768	781,581	1,659,811	....	33,326,586	....	....	356,296	630,210	386,457	358,271	2,297,738	....	89,960	53,728,095
Provinciale	187,584	216,590	157,825	....	342,163	1,533,518	3,273,467	13,527	97,185	5,098,802	4,035,888	1,684,371	5,390,656	....	14,444,657	....	....	1,763,189	226,137	5,500	10,184	440,278	....	315,856	39,237,385
Union	1,247,169	7,861,840	395,000	500,000	539,873	3,799,460	44,948	1,722,175	6,475,368	13,426,058	7,461,700	3,228,742	4,820,275	2,046,756	66,601,806	5,509,269	1,610,127	3,773,382	306,213	157,682	387,180	2,195,647	1,872,295	171,291	136,154,266
Commerce	11,101,272	17,800,512	800,000	9,000,000	3,294,695	12,129,036	6,162	692,255	13,461,996	24,861,212	6,831,922	5,538,947	16,922,060	20,117,306	170,828,832	22,549,108	1,444,361	13,917,395	665,389	619,705	233,177	7,487,675	5,101,436	50,310	365,454,772
Royal	13,208,625	21,327,925	985,000	10,000,000	24,400,555	19,145,020	12,921	2,279,948	19,351,515	25,168,638	7,879,481	16,420,453	18,879,159	24,906,049	150,229,986	90,944,758	829,353	8,031,380	403,946	942,436	273,770	10,938,992	5,877,778	125,694	472,563,393
Dominion	2,161,616	6,715,033	311,862	1,500,000	507,326	4,158,205	11	119,443	1,363,934	18,763,951	2,571,108	1,645,070	6,831,260	2,674,672	62,355,506	2,173,917	....	1,009,685	189,113	4,885	17,053	6,228,600	245,613	317,808	121,865,681
Hamilton	927,871	3,547,123	250,000	500,000	494,063	2,194,342	602,985	46,966	714,167	6,127,332	2,884,965	373,009	6,645,332	....	40,877,370	....	315,187	4,174,626	217,075	692,684	136,934	3,128,807	170,837	328,128	75,349,813
Standard	1,734,049	4,528,751	200,000	1,500,000	318,709	2,960,025	100,000	262,096	506,050	8,975,697	2,005,668	1,202,475	3,454,383	....	46,109,292	....	....	1,588,314	331,692	130,040	13,400	1,808,772	53,647	60,943	77,844,009
d'Hochelaga	536,893	2,477,408	200,000	2,000,000	776,848	2,070,726	274,436	68,595	333,206	4,500,083	2,485,702	164,632	5,855,296	75,000	40,610,295	....	....	2,197,888	382,214	232,194	401,654	3,482,357	16,338	105,700	69,247,473
Imperial	1,815,619	9,568,095	366,407	4,002,533	885,447	4,754,825	404,150	299,785	1,453,994	14,025,558	2,121,855	674,067	4,250,725	1,800,000	58,696,009	....	1,044,902	7,104,256	610,728	570,024	417,548	5,600,787	142,700	726,512	121,336,535
Home	212,273	2,021,204	108,000	....	200,350	710,672	120,991	15,437	558,838	2,672,245	439,762	1,754,363	1,312,794	....	15,655,534	24,038	....	57,688	166,824	86,708	107,316	950,665	....	191,495	27,367,206
Sterling	79,028	1,114,539	66,000	....	123,354	510,009	5,142	28,986	135,037	10,669,657	1,612,151	376,735	55,236	....	7,413,836	....	....	71,122	19,421	....	2,717	574,401	6,475	48,787	22,912,640
Weyburn Security	18,351	113,683	22,861	....	19,508	10,043	320,993	....	55,719	260,049	13,314	....	....	....	2,037,917	....	....	86,654	92,491	41,407	24,001	204,219	....	61,431	3,382,650
Total	76,468,966	165,811,694	6,538,249	60,352,533	38,445,617	94,192,790	5,214,574	9,202,717	55,111,374	219,801,617	87,764,030	46,097,520	103,638,801	163,779,882	1,149,187,869	151,969,504	6,830,088	75,766,338	7,711,841	4,537,621	3,199,157	69,702,986	17,006,674	4,423,909	2,622,756,500

Column No. 4. Of this deposit $9,002,533 is in gold coin; the balance is in Dominion notes

FINANCE DEPARTMENT, OTTAWA, April, 24th 1922

COPPER PRODUCED DURING 1921 WAS 25 P.C. OF NORMAL

Copper Output of British Columbia Fell from $7,832,899 to $4,879,624

BETTER OUTLOOK

From Our Own Correspondent

VICTORIA.—Copper production in British Columbia fell off last year and, as the market was also exceptionally depressed, the value of output amounted to nearly $3,000,000 less than in 1920.

The copper output last year was 39,036,993 pounds, which is 5,850,683 pounds less than in 1920. The value for 1921 was $4,879,624, which compared with $7,832,899 in 1920.

Lead produced in 1921 was 41,402,288 pounds, worth $1,693,354, representing an increase in volume of 2,071,070, a reduction in value of $1,122,761.

Nearly 50,000,000 pounds of zinc were produced, valued at $1,952,065, compared with $1,125,914 in 1920.

During 1921 all the large copper producers of the continent, by concerted action, reduced their output to about 25 per cent. of normal, or shut down entirely, in order to reduce accumulated stocks.

The report of Hon. William Sloan, Minister of Mines, says:

"There has been a market for copper at a low price, but during most of the year no demand for lead or zinc. A great amount of such metals in refined state accumulated at the Trail smelter to an extent that prohibited the purchase of such ore by the custom smelters, which cause absolutely shut down many of the Slocan mines.

"During the latter part of the year the Trail smelter, was fortunate in finding an outlet to the Orient for the greater part of its accumulated lead and zinc stocks on hand. This again permitted prompt cash payments for ores of these metals to be made and thus again started up these mines in the Slocan, so that it is probable next year will again see these properties working on a normal basis.

"In 1921 the tonnage of the lead and zinc produced was greater than in 1920, due to the large production of the Consolidated Mining & Smelting Company's Sullivan mine in East Kootenay.

"The amount of copper produced was less in 1921 than in 1920 by nearly 6,000,000 pounds. But if the Britannia mill had not been burned down late in the Fall of 1920, and this property—which can ordinarily be counted on for from 15,000,000 to 20,000,000 pounds of copper—being thus temporarily disabled, this year also there would have been an increase in copper production."

MARCONI STRONGER

"Radio" Interest Responsible for Advance in Securities

From Our Own Corerspondent.

MONTREAL.—The keen interest that is being shown in the development of "radio" has stirred up a much stronger feeling for the stock of the Marconi Wireless Co. of Canada. The stock was quoted this week at $2.50 bid and $2.60 asked, for a share of $2.50 par value. The stock was reduced in 1919 from $5 par value to $2.50 par value. It is expected that the development of this new line which is proving very popular will increase the earnings of the company very considerably.

ALL "BELL" ISSUE SOLD

New Stock of $5,000,000 Found a Ready Sale

From Our Own Corerspondent.

MONTREAL.—It is announced that the syndicate that underwrote $5,000,000 of new stock of the Bell Telephone Company has succeeded in disposing of the whole allotment, and indeed the isue was over-subscribed. The successful flotation and the strength that has been displayed by the stock in advancing from 1.05¾ when the issue was first announced to its present position has served to focus attention on public utility issues.

HOWARD SMITH IN LONDON

Canadian Preferred and Common Securities on London Exchange

From Our Own Corerspondent.

MONTREAL.—Announcement is made that both the preferred and common stock of the Howard Smith Paper Mills was listed this week on the London Exchange. Both securities of this company have shared in the past few days in a general advance in the paper stocks. There has been a real business improvement in the case of this company, as in the case of the others also, to back up the better tone in regard to the stock and a steady improvement in the demand is looked for for the balance of the present year.

Moscow dispatch says Soviet is increasing political control of railroads by transferring management from commissioners to railway administration.

Save The Children Fund Under New Control

We now have confirmation of the reports that the British Save the Children Fund—with which the Canadian Fund is affiliated—has been forced because of public criticism to submit to a measure of outside direction and control.

In the British Parliament, press and platform it has been charged that the promoters of this fund:—(1) were working in closely sympathetic relations with Lenine and Trotzky; (2) were passing, for the purchase of supplies, the greater part of the monies collected to a mysterious firm owned chiefly by three Russians whose names were carefully kept secret; (3) that another mysterious person—whose identity was also closely hidden received $50,000 as publicity agent plus an unnamed commission on all goods purchased or received in kind by the committee. If a charitable Briton, anxious to save the children, sent, say, a pair of boots, the fund appraised their value and paid a percentage to the mysterious buyer; (4) that the Save the Children Fund obligated itself to the aforesaid mysterious agent to spend $5,000 a week from the sums donated to the famine fund for advertising.

In addition to this strong opposition was expressed against any donations while "the Bolsheviks were spending great sums on munitions, a vast army, and attempts to stir up revolutions in other countries—as instanced in the Rand rebellion and in various British labor troubles. Every pound sent to Russia to relieve the Soviet Government of their famine responsibilities increases their ability to spread anarchy and ruin."

When the Canadian campaign developed THE POST said "We have pretty well all we can do taking care of our own destitute at this time. But we can do all that and still have some to spare for less fortunate foreigners and particularly for suffering and deserving Russians." But we objected to the methods and misrepresentations under which the campaign was carried on—and a number of other newspapers have since taken the same view. For these and other reasons, because of the many appeals being made for Russian relief so many of them being fraudulent, and because we had in the Canadian Red Cross a medium above reproach, perfectly organized with a great record in relief work, we urged the concentration of all Russian relief work under their direction. The accuracy and reasonableness of THE POST'S criticism is now admitted, while the concentration under reputable control of the various agencies is just what has come about in England.

All monies collected for Save the Children Fund in Canada by responsible persons or bodies find their way to the treasurer, Sir George Burn, or his assistant, E. L. Britain, at Ottawa. In these men the public have, of course, absolute confidence. There will be no irregularities where they control. They pay on properly certified vouchers. They are not responsible for the methods and expenses of campaigns, and the purchases of supplies. There has as yet been no outside audit of these matters. We now suggest, to prevent future criticism, that there should be.

A Brighter Day For Steamships

(Continued from Page 1)

It is now proposed to make an offering of a portion of the new issue to Canadian investors. It would be advisable if as complete details as possible of the proposed re-organization were made public before that offering is actually made.

When these details are announced THE FINANCIAL POST and investors at large will be in a position to decide upon their relation to the securities of this Company, and also the broader question involved between directors generally and their duties to their own companies.

Smashing the Trust

It is satisfactory to note that one of the very important reforms in the organization of the Company for which this paper has been fighting for the past three months or more, is being made in connection with the Steamships "Trust." This was declared to be an "iniquity," and the presence of Col. Grant Morden on the Trust as inimical to the best interests of the Company and the shareholders. Announcement is now made officially of the withdrawal of Col. Morden from the London Advisory Committee and the resignation of the voting trustees who have been in office since the formation of the Voting Trust. In the absence of all the details it is impossible at the moment to figure out the extent to which the existing weakness has been remedied, but the following official statement gives grounds for welcoming what has been done in this direction as one more step towards realizing the objects in view in THE FINANCIAL POST'S campaign for the remedy of existing abuses and strengthening the relative position of the Company.

"With a view of safeguarding the interests of the many shareholders and security holders of the company, arrangements have been made through the old Board of Directors for the appointment of Canadian representatives on the Advisory Committee. This committee will be reduced to six, three in Canada and three in England. This will mean the resignation of the voting trustees, who have been in office since the formation of the voting trust, and the withdrawal of Colonel W. Grant Morden from the Advisory Committee. These members of the Advisory Committee will be appointed by the incoming Board of Directors, at the annual meeting. The voting trust remains in force until 1929.

As preferred shareholders have the right to name two directors to represent them, arrangements have already been made to have Robert Hobson, President, Steel Company of Canada, Limited, and A. J. Brown, K. C., of Montreal, act for these preferred shareholders on the Board."

Should Appeal to the Courts

To the Editor of THE FINANCIAL POST:

Your exposure of the "High Finance" activities of certain of the officials and directors of the Canada Steamship Lines is commended by all honest citizens. It excites the indignation of the shareholders who have been defrauded. They have learned of other shipping companies paying during the war thirty per cent. per annum dividends and that freight rates on the Great Lakes increased elevenfold and on the ocean twenty-six-fold during the war over the period before the war and they feel that the less than five per cent. per annum paid themselves should leave a surplus in hand sufficient to secure dividends on preferred shares for years to come. Now they are coolly informed that their dividend is cut off and that a bond isue of six million dollars is to be introduced as a charge upon the assets in priority to the preferred shares. Your exposure was courageous.

Other financial authorities although privately condemning the acts exposed, are not daring enough to speak their minds openly. They control themselves with scourging the little grafters and confidence men. They are awed into silence by the Napoleons of finance. You take up the cause of the trusting and betrayed investor—the man and woman who, having a little money which they cannot afford to lose, seek out what seems to them a safe investment paying a moderate return and without speculative features. They avoid the "get rich quick" concerns and those of foreign nomenclature and choose a purely Canadian concern. The name Canada appeals to them as a synonym of honesty and fair dealing. But they find their confidence sadly misplaced when their savings are swept away. The patriotic gentlemen who rob them advertise their extensive purchases of victory bonds and the deluded shareholders realize that it is their own money which has been thus expended.

At the same time the fair fame of Canada suffers. Investors everywhere will be mighty chary of Canadian investors hereafter. Other worthy enterprises as a result of the misdeeds of the Steamship officials find it extremely difficult to raise money and have to pay fifty per cent more by way of interest than was formerly exacted. In this way progress is impeded, enterprise injured and unemployment increased.

You suggest a change in the directorate. I fail to see how this is to be accomplished as the voting trust is in control. The shareholders at large who are the sufferers, have no power in the management of the company's affairs, and a change in the directorate will not restore the moneys which we contend to have been improperly abstracted.

It seems to me that the action proper to be taken by the shareholders is an appeal to the courts for an accounting and payment over of these moneys. Surely if there is such a thing as justice in the land this action will result successfully. Let the shareholders get together and raise a fund. I am satisfied that for every dollar put up fifty will be recovered.

J. W. G.
A Shareholder.

Toronto, April 22, 1922.

ILLINOIS TRACTION

From Our Own Corerspondent.

MONTREAL—The gross earnings of the Illinois Traction Co. for the month March were $1,944,105, an increase of a little over $100,000 as compared with the same month in 1921, or 5.84 per cent. advance. The net earnings show a much higher increase, the total amounting to $642,839 as compared with $465,560 for the month of March. 1921, a gain of 38.18 per cent. Taking the htree months ending March 31 of this year the gross earnings amounted to $5,778,479 as against $5,664,153 in a similar period last year, an increase of 2.02 per cent., so that the showing for March is a considerable improvement over that of the earlier portion of the present year. The net earnings for this period were $1,899,010 as against $1,522,254 for the same period in 1921, an increase of 24.75 per cent., once again indicating that operating expenses have been brought down very considerably.

Earl D. Babst, president of American Sugar Refining Co., interviewed as to what should be policy of Congress and government towards sugar industry replied, "Let it alone." Sugar bill of American people, he pointed out, was about $700,000,000 annually, and ranked in importance with steel, transport and farm products.

LITTLE HOPE FOR EFFICIENT BOARD TO RUN RAILWAY

(Continued from Page 1)

likely to be. The history of all political bodies points in quite the opposite direction. If government had intended to erect a strong and courageous board, with full powers to carry out its own plans, it would have provided a tenure for the men chosen like that of the Railway Commission, the Civil Service Commission, or the Supreme Court. Instead, the Minister of Railways holds the life of each member of the proposed new board in the hollow of his hand. He can make changes at will. If necessary, he could have a new board every week.

Put in another way, the creation of this new board will not make the slightest change. Control will continue to centre in the Department of Railways and Canals precisely as it has always done. The co-ordination contemplated under this plan is nothing more than the most obvious and necessary step to end a clumsy anomaly and erect a practical plan of operation. There will be unification, of course; but administration by two boards would have been absurd and defenceless. Hence it would be unreasonable to speak of "co-ordination" as involving anything new whatever.

Of course, a radical change could be made. Government could choose for this board a group of men representing the best railway skill of the world, and then detach itself entirely from the work of administration. It could, under this 1919 Act, get together the right kind of men; but so long as it remained in the background, with the right and power to interfere, it could not confer complete independence on the board—that is, it would not be able to. It might try; but it would not be likely to succeed. The intention might be there; yet, as we have politics in Canada, the thing would not work.

A single illustration will make this point obvious. It is universally admitted that there is a large excess of mileage in the West. There is also a good deal in Ontario, especially since the Grand Trunk was brought into the national system. The parallels are numerous and long. This makes for enormous waste. The remedy is to re-cast the system. But the moment an attempt is made to adjust, and to bring operating mileage down to a sound railway basis, every locality directly affected will be in the position of the man who cried out: "We must get some fresh air into this hall; but don't open the window near me." At the first effort to reduce trunk line mileage, is it likely that objecting communities will appeal to the board? No; they will each go to their representative in parliament, and he will go to the government. Under the Act of 1919 government stands back of the board with the unquestioned power to enforce its will.

It might be assumed that government would wish to place itself in a position to say: "We are powerless. There is no use in coming to us; we have tied our hands. We have created a board which is independent, and the judgment of that board is final." Such an attitude would relieve government of the disadvantages and inconveniences of patronage in every form; but under the measure in question it holds the door wide open for practices which are costly and hurtful along that very line. This matter is all the more important in view of the indisputable proofs of overmanning on the Canadian Northern at least. It will also stand in the way of the re-organization of train service on an economical footing, and the doing of many things which would tend to reduce the annual deficit.

DIVIDENDS

The Bank of Toronto

Dividend No. 163

Notice is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent. Per Annum,** upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the **First Day of June next** to Shareholders of record at the close of business on the 10th day of May next.

By order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
April 26th, 1922.

The Royal Bank of Canada

Dividend No. 139

Notice is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of June next, to shareholders of record at the close of business on the 15th day of May.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., April 13, 1922.

DIVIDENDS

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of Canada)

OFFER TO THE HOLDERS OF 5½% INCOME BONDS TO EXCHANGE SAME FOR 6% (FORMERLY 5½%) 1ST MORTGAGE BONDS.

On the Basis of £1 Nominal Value of 6% First Mortgage Bonds for £5 Nominal Value of Income Bonds.

NOTICE IS HEREBY GIVEN that in pursuance of the Power conferred by a Resolution passed by the Holders of the 6% First Mortgage Bonds at a meeting held on the 29th December, 1921, the Company, with the approval of the Bondholders' Committee, hereby offers to Holders of 5½% Income Bonds to exchange such Bonds for 6% First Mortgage Bonds on the basis of giving £1 nominal value of 6% First Mortgage Bonds for every £5 nominal value of the 5½% Income Bonds surrendered (with all coupons) for exchange.

The 6% First Mortgage Bonds issued in exchange will have attached the half-yearly interest coupon due 1st December, 1922.

Holders of the 5½% Income Bonds desiring to avail themselves of this offer must surrender their Bonds for exchange on or before the day of 1st October, 1922, after which date the Company reserves the right to withdraw the offer hereby made.

A circular giving details of the exchange and the procedure to be adopted in connection therewith and forms for lodging the Income Bonds and other documents for exchange can be obtained at the offices of the Company in Toronto, or of the Canadian & General Finance Company, Limited, Toronto, and 3 London Wall Buildings, London.

Endorsement of 6% (Formerly 5½%) First Mortgage Bonds

Holders of the 6% (formerly 5½%) First Mortgage Bonds should, in accordance with the terms of the Resolutions passed at the Bondholders' Meeting, held on the 29th December, 1921, lodge their bonds at the office of the Company in Toronto or at the Canadian & General Finance Company, Limited, London, for the purpose of having endorsed thereon a memorandum thereof and of the Supplemental Trust Deed executed in accordance therewith.

Instructions and forms for lodging Bonds can be obtained at any of the offices above mentioned.

By order of the Board of the

BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED,

R. H. Merry,
Secretary.

603 Dominion Bank Building,
Toronto, Canada,
2nd May, 1922.

SUNSHINE FROM CUCUMBERS

Edmonton Bulletin.

The newspapers with communistic tendencies are finding a good deal of satisfaction in the fact that the Government railways are only losing at the rate of 56 millions per year. A tax of seven dollars per head to make up the railway deficit seems to be regarded as something the public ought to be almost thankful for.

TENDERS WANTED

DEBENTURES FOR SALE

Tenders will be received by the undersigned up to twelve o'clock noon of the 12th day of May next (1922) for the purchase of the debentures of the Corporation of the County of Renfrew for $200,000.00 for improvement of their highways, payable in twenty years from the 6th day of May, 1922, bearing interest at 6%, payable yearly. Debentures issued in $1,000.00 and odd amounts, payable yearly during the term. Debenture contains provision for registration.

No tender necessarily accepted. Have envelope marked "Tender."

Dated the 24th day of April, A.D. 1922.

R. J. RONEY,
County Clerk,
Pembroke, Ont.

DIVIDENDS

The Canadian Bank of Commerce

Dividend No. 141

Notice is hereby given that a dividend of three per cent., upon the capital stock of this bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the bank and its branches, on and after Thursday, 1st June, 1922. The transfer books of the bank will be closed from the 17th May to 31st May next, both days inclusive.

By order of the Board.

JOHN AIRD,
General Manager.

Toronto, 21st April, 1922.

BANK OF MONTREAL

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Institution has been declared for the current quarter, payable on and after Thursday, the 1st day of June next, to Shareholders of record of 30th April, 1922.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st April, 1922.

BANK OF HAMILTON

Dividend Notice

Notice is hereby given that a dividend of three per cent. (twelve per cent. per annum) on the paid-up capital of the bank, for the quarter ending 31st May, has this day been declared, and that the same will be payable at the bank and its branches on 1st June next, to shareholders of record at close of business May 22nd.

By order of the Board.

J. P. BELL,
General Manager.

Hamilton, 18th April, 1922.

Dividend Number 97

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED.

("No Personal Liability")

A dividend of 1% on the paid-up capital stock of the Company has been declared payable on the 20th day of May, 1922, on which date cheques will be mailed to shareholders of record at the close of business on the 5th day of May, 1922.

Dated, the 1st day of May, 1922.

D. A. DUNLAP,
Treasurer.

Your Estate

The Life Story of a Successful Man
At age 21 "was all the Estate he had."
At age 30 he wisely increases his insurance.
At age 40 he finds the security of his Estate unquestioned by his Banker.
At age 50 he has no fear of hardship for himself or his family.
At age 60 his "Estate," fully paid for, becomes a substantial fund, earning dividends.

There is but one *certain* way of having an Estate, and that is through life insurance.

Canadian Government figures recently compiled show that out of 107,109 persons who died in one year, 100,031 left estates of less than $10,000. The vast majority left nothing.

This fact, that 93% of persons at death leave practically nothing, makes clear the necessity for Life Insurance.

Creating Your Estate

THE CANADA LIFE will guarantee to provide at your death an Estate which is twenty or thirty times greater than the amount of your annual deposit with the Company. And if you live—

Every dollar of regular annual deposit will be returned at the end of twenty years, and substantial dividends will be paid at intervals.

Our "Capital Return" Policy

1st. Deposits are made yearly. This is what you are saving, and at the end of 20 years the Canada Life *guarantees* the return of every dollar paid in.

2nd. Your life is insured from the day you make the first deposit—for $5,000, or whatever amount you decide.

3rd. Dividends are paid at stated intervals in addition to the return of all deposits at the end of 20 years.

4th. These dividends may be used to increase the amount of your insurance, or be allowed to accumulate at interest for 20 years.

5th. The cash value of Policy and Dividends represents a valuable asset, useful in business, and your "estate" is protected by the insurance.

6th. At the end of Twenty Years you can draw out all you have paid in, along with the accrued dividends—

—or—

you can draw a Special Cash Guarantee, together with the Accumulated Dividends, making a substantial sum, and leave the $5,000 Policy fully paid for and continuing to earn Dividends as long as you live

—or—

this Special Cash Guarantee may be applied to increase a $5,000 policy to more than $7,500.

Ask for Particulars

Canada Life
Assurance Company
Home Office
TORONTO

Canada Life Assurance Company

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